



COTTAGE GROVE CITY COUNCIL
12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MINNESOTA 55016
COUNCIL CHAMBER - 7:00 PM

November 19, 2025

- 1 Call to Order
- 2 Pledge of Allegiance
- 3 Roll Call
- 4 Open Forum
- 5 Adoption of Agenda
- 6 Presentations
 - A Public Safety Board K9 and Equipment Donation
Staff Recommendation: 1) Accept and approve the donation of the dual-purpose police dog (Canine) purchased from Police Service Dogs Inc with the value of \$15,667.00. 2) Accept and approve the donation of the 7' x 14' concrete slab purchased from Schultz Enterprises LLC with a value of \$3,000.00. 3) Accept and approve the donation of the 6' x 12' enclosed kennel purchased from Midwest Fence with a value of \$1,665.00.
 - B Proclamation - 2025 Small Business Saturday
Staff Recommendation: Proclaim November 29, 2025 as Small Business Saturday.
- 7 Consent Agenda
 - A City Council Regular Meeting Minutes (2025-10-15).
Staff Recommendation: Approve the October 15, 2025, City Council Regular Meeting Minutes.
 - B Parks, Recreation and Natural Resources Commission Meeting Minutes (2025-09-08)
Staff Recommendation: Approve the September 8, 2025, Parks, Recreation, and Natural Resources Regular Meeting Minutes.
 - C Advisory Committee on Historic Preservation Meeting Minutes (2025-06-10)
Staff Recommendation: Accept and place on file the minutes from the June 10, 2025, meeting of the Advisory Committee on Historic Preservation.
 - D HERO Center Response Letter - Fredrickson
Staff Recommendation: Receive the response letter to the open forum question on November 5, 2025.
 - E HERO Center Response Letter - Tannehill
Staff Recommendation: Receive the response letter to the open forum question on November 5, 2025.
 - F Final Environmental Impact Statement Response Letters
Staff Recommendation: Receive the response letters to the open forum questions on November 5, 2025, regarding Nelson Backwaters Final Environmental Impact Statement.

- G 2026 Business Licenses
Staff Recommendation: Approve Resolution 2025-159 approving the Business Licenses listed in Attachment A.
- H Approval of Rental Licenses
Staff Recommendation: Approve the issuance of rental licenses to properties listed in the attached table.
- I Minnesota Chiefs of Police Foundation Community Partnerships Award
Staff Recommendation: Accept the grant in the amount of \$2,000.00 from the Minnesota Chiefs of Police Foundation Community Partnerships Grant Program.
- J Ice Arena Naming Rights and Sponsorship Agreement
Staff Recommendation: Authorize agreement with Front Burner Sports and Entertainment for naming rights and sponsorship services at the Cottage Grove Ice Arena.
- K Beverage Supplier Agreement for Ice Arena and River Oaks
Staff Recommendation: Authorize beverage agreement with Pepsi Beverages Company for services at the Cottage Grove Ice Arena and River Oaks.
- L Ice Resurfacer Purchase
Staff Recommendation: Authorize staff to purchase a Zamboni 546 series ice resurfacer from Zamboni Company USA, Inc. under the Sourcewell Contract for the amount of \$157,638.43.
- M River Oaks Aerator Purchase
Staff Recommendation: Authorize purchase order for Toro ProCore 648 Greens Aerator for the amount of \$40,602.81 under 2025 State Contract pricing.
- N Sale of Surplus Property
Staff Recommendation: Authorize Parks and Recreation to advertise and sell surplus property on MNBid, Kbid or Cranky Ape.
- O John P. Furber House Proposed Rehabilitation
Staff Recommendation: Adopt Resolution 2025-164 to allow the proposed improvements to the John P. Furber House located at 7310 Lamar Avenue South.
- P Old Town Hall Service Agreement
Staff Recommendation: Approve the professional services agreement between the City and Medicine Wood Inc. to occupy and make improvements to the Old Town Hall located at 9550 Islay Avenue South.
- Q County 19A/100th Street Realignment – Local Road Improvement Program Grant Application
Staff Recommendation: Adopt Resolution 2025-167 supporting the City’s Local Road Improvement Program grant application for the County 19A/100th Street Realignment Project.
- R 80th Street (TH 61 to Ideal Ave), East Point Douglas Road (80th Street South to Tee Intersection), and TH 61/80th Street Interchange Rehabilitation – Approve Feasibility Report and Call for Public Hearing
Staff Recommendation: Approve Feasibility Report and Call for Public Hearing for the 80th Street (TH 61 to Ideal Ave), East Point Douglas Road (80th Street South to Tee Intersection), and TH 61/80th Street Interchange Rehabilitation Project.
- 8 Approve Disbursements
- A Approve Disbursements
Staff Recommendation: Approve disbursements from 10-31-2025 through 11-13-2025 in the amount of \$4,060,977.28.
- 9 Public Hearings
- 10 Bid Awards

11 Regular Agenda

- A Tobacco Violation - Giza Inc. (DBA: MoonSoon Tobacco) 7584 80th Street South #201
Staff Recommendation: 1) Allow a business representative from Giza Inc. (DBA: MoonSoon Tobacco) to respond to the City Council regarding the underage sale of tobacco compliance check violation occurring on October 28, 2025. 2) Adopt Resolution 2025-170, imposing the scheduled penalty for the first violation in a 36-month period of a \$300.00 fine.
- B Tobacco Violation — Hy-Vee Inc. (DBA: Hy-Vee Wine & Spirits) 7280 East Point Douglas Road
Staff Recommendation: 1) Allow a business representative for the Hy-Vee Wine & Spirits to respond to the City Council regarding the underage sale of tobacco compliance check violation occurring on October 28, 2025. 2) Adopt Resolution 2025-169, imposing the scheduled penalty for the first violation in a 36-month period of a \$300.00 fine.
- C Real Estate Equities Apartment Project
Staff Recommendation: 1) Adopt the Development Agreement with Cottage Grove AH I, LLLP for the Real Estate Equities apartment project. 2) Approve the Local Affordable Housing Aid Agreement with Cottage Grove AH I, LLLP (Real Estate Equities), substantially in the form presented. Final approval and execution of the agreement is strictly pending review and approval by both the City Attorney and the attorney for Cottage Grove AH I, LLLP. 3) Approve Resolution 2025-160, authorizing the issuance, sale, and delivery of its multifamily housing revenue bonds (Hadley Ridge Apartments Project), Series 2025ABCD; approving the form of and authorizing the execution and delivery of such obligations and related documents; providing for the security rights, and remedies with respect to the obligation; and granting approval for certain other actions with respect thereto.

12 Council Comments and Requests

13 Workshops - Open to Public

14 Workshops - Closed to Public

- A Performance Evaluation — Jennifer Levitt, City Administrator
Staff Recommendation: Close the meeting pursuant to MN Statute 13D.05 subd. (3)a to conduct a performance evaluation of City Administrator, Jennifer Levitt.

15 Adjournment



City Council Action Request

6.A.

Meeting Date 11/19/2025

Department Public Safety

Agenda Category Action Item

Title Public Safety Board K9 and Equipment Donation

Staff Recommendation 1) Accept and approve the donation of the dual-purpose police dog (Canine) purchased from Police Service Dogs Inc with the value of \$15,667.00. 2) Accept and approve the donation of the 7' x 14' concrete slab purchased from Schultz Enterprises LLC with a value of \$3,000.00. 3) Accept and approve the donation of the 6' x 12' enclosed kennel purchased from Midwest Fence with a value of \$1,665.00.

Budget Implication N/A

Attachments

1.	Public Safety Board Donation K9 Nov 2025
2.	Cottage Grove PD Midwest Fence - K9 Unit Torning - 100125
3.	K9 Kennel Slab
4.	PSD K9 Invoice



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Peter J Koerner, Director of Public Safety

Date: November 13, 2025

Subject: PUBLIC SAFETY BOARD K9 AND EQUIPMENT DONATION ACCEPTANCE

Introduction

The Cottage Grove Police Department (CGPD) has a long-standing Patrol K9 Program. Patrol K9s have proven to be an invaluable search, apprehension, public relations, and recruiting resource. Currently, CGPD has two Patrol K9/Handler teams. Both teams are assigned to the night shift, meaning there is no daytime Patrol K9 working in Cottage Grove. When a K9 need arises during the day, CGPD is dependent upon mutual aid. Often, there is a significant response time or no K9 available.

In CGPD's 5-Year Strategic Plan, we identified the goals of building a succession plan and increasing the coverage of our Patrol K9 Program. This can be accomplished by adding a third Patrol K9/Handler team in 2026.

In July of 2025, the City Council authorized the police division to add a third Patrol K9 to patrol. Much of the addition was budget neutral and for the canine and additional costs, we identified donations and grants. Since the beginning of our K9 program, the Cottage Grove Public Safety Board has been a major contributor to the program.

The mission of the Cottage Grove Public Safety Board is to promote the partnership between the Cottage Grove Public Safety Department and citizens in support of a safe community by providing financial support for equipment, training, and programs to enhance safety, and providing crime prevention and safety information to the citizens.

As we prepare for delivery of the canine in December, there are some upfront costs needed, including the purchase of the canine and a kennel at the handler's residence.

The Public Safety Board paid for the fence and kennel slab as it needed to be installed prior to snow/winter weather. The Public Safety Board did send a check to pay for the canine which is needed before delivery.

The following is a description and cost:

7' x 14' Concrete Slab
Schultz Enterprises LLC
\$3,000.00

6' x 12' Enclosed Kennel
Midwest Fence
\$1,665.00

Dual-purpose Police Dog
Police Service Dogs Inc.
\$15,667.00

The invoices are attached.

Recommendation

1. Accept and approve the donation of the dual-purpose police dog (Canine) purchased from Police Service Dogs Inc with the value of \$15,667.00.
2. Accept and approve the donation of the 7' x 14' concrete slab purchased from Schultz Enterprises LLC with the value of \$3,000.00.
3. Accept and approve the donation of the 6' x 12' enclosed kennel purchased from Midwest Fence with the value of \$1,665.00.

Midwest Fence
and Manufacturing Company
Since 1947

Who Nils Torning 10/1/2025
email: ntorning@cottagegrovemn.gov phone 651-307-4049
Kennel Pricing



<u>Qty</u>	<u>9 Gauge Galv. Kennel Pricing</u>	<u>price</u>	<u>extended</u>
1	6' Wide x 12' Long x 6'4" High - Kennel	\$ 1,305.00 ech	\$ 1,305.00
1	Roof Panel 6' Wide x 10' Long Roof Kennel Panel	\$ 360.00 ech	\$ 360.00
18	N/C Saddle Clamps		

Notes:

Door Right

Hinge Left

Latch Right

ech \$ -
ech \$ -

\$ 1,665.00 total for material

Tax ID #

Exempt 7.125% sales tax

\$ 1,665.00 Grand total



INVOICE

Schultz Enterprises LLC
1448 Ashland Ave
Saint Paul Park, MN 55071-1441

schultzenterprisesmn@gmail.com
+1 (952) 428-8263



Bill to
City of Cottage Grove
City of Cottage Grove

Ship to
City of Cottage Grove
City of Cottage Grove

Invoice details

Terms: Net 30
Invoice date: 10/29/2025
Due date: 11/28/2025

#	Date	Product or service	Description	Qty	Rate	Amount
1.		7' x 14' concrete slab	Concrete slab for K-9 unit at 2182 Holly Ave. Oakdale, MN 55128	1	\$3,000.00	\$3,000.00
Total						\$3,000.00

**Police Service Dogs, Inc.**

P.O. Box 152 • Oxford, FL 34484
Office: 305-986-5824
Contact: Maria Cabrera
Website: psdk-9.com
Email: psdk9@aol.com

Date: 10/30/2025
Invoice No.: 20250834
PO No.:

Bill To:

Cottage Grove PD
12800 Ravine Pkwy S.
Cottage Grove, MN 55016

Ship To:

N/A

Qty	Item	Description	Unit	Total
1	PSGDP	European imported green police service dog; between the ages of 1-2 years old; to be used for dual purpose	\$15,000.00	\$15,000.00

Subtotal	\$15,000.00
Shipping	\$667.00
Total	\$15,667.00
Balance Due	\$15,667.00

- CREDIT CARD PURCHASES OVER \$500 WILL INCUR A 3.5% FEE

Thank you for your business.



City Council Action Request

6.B.

Meeting Date	11/19/2025		
Department	Communications		
Agenda Category	Presentation		
Title	Proclamation - 2025 Small Business Saturday		
Staff Recommendation	Proclaim November 29, 2025 as Small Business Saturday.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>November 2025_Small Business Saturday_v2</td></tr></table>	1.	November 2025_Small Business Saturday_v2
1.	November 2025_Small Business Saturday_v2		



**PROCLAMATION FOR SMALL BUSINESS SATURDAY
NOVEMBER 29, 2025**

WHEREAS, the City of Cottage Grove celebrates our local small businesses and the contributions they make to our local economy and community; and

WHEREAS, according to the United States Small Business Administration, there are currently 36.2 million small businesses in the United States, they represent 99.7 percent of all businesses with employees in the United States, are responsible for 61 percent of net new jobs created since 1995; and

WHEREAS, small businesses employ 46 percent of the employees (62.3 million people) in the private sector in the United States; and

WHEREAS, 68 cents of every dollar spent at a small business in the United States stays in the local community and every dollar spent at small businesses creates an additional 48 cents in local business activity as a result of employees and local businesses purchasing goods and services; and

WHEREAS, 79% of consumers reported that Small Business Saturday made them want to shop and dine at small, independently owned retailers and restaurants all year long; and

WHEREAS, Cottage Grove supports our local businesses that create jobs, boost our local economy and preserve our communities; and

WHEREAS, advocacy groups as well as public and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW, THEREFORE, the Mayor and City Council of the City of Cottage Grove, County of Washington, State of Minnesota, hereby proclaim November 29, 2025, as:

SMALL BUSINESS SATURDAY

Passed this 19th of November, 2025.

Myron Bailey
Mayor



City Council Action Request

7.A.

Meeting Date	11/19/2025		
Department	Administration		
Agenda Category	Action Item		
Title	City Council Regular Meeting Minutes (2025-10-15).		
Staff Recommendation	Approve the October 15, 2025, City Council Regular Meeting Minutes.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>2025-10-15 City Council Meeting</td></tr></table>	1.	2025-10-15 City Council Meeting
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COTTAGE GROVE CITY COUNCIL

12800 RAVINE PARKWAY SOUTH

COTTAGE GROVE, MN 55016

COUNCIL CHAMBER - 7:00 P.M

October 15, 2025

1. CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a regular meeting on October 15, 2025, at Cottage Grove City Hall, 12800 Ravine Parkway. Mayor Bailey called the meeting to order at 7:00 p.m. and said this meeting is being recorded by TruLens Community Media. You can view City meetings live and replay them on Cable Channel 799, and meetings are also streamed live and archived on the City of Cottage Grove's YouTube channel.

2. PLEDGE OF ALLEGIANCE

The audience, staff, and City Council Members stood and recited the Pledge of Allegiance.

3. ROLL CALL

Tammy Anderson, City Clerk, called the roll: Mayor Bailey-Here; Council Member Clausen-Here; Council Member Garza-Here; Council Member Olsen-Here; Council Member Thiede-Here.

Also present: Jennifer Levitt, City Administrator; Ryan Burfeind, Public Works Director; Zac Dockter, Parks and Recreation Director; Korine Land, City Attorney-LeVander, Gillen & Miller, PA; Brenda Malinowski, Finance Director; Emily Schmitz, Community Development Director; Phil Jents, Communication Manager; Greg Rinzel Public Safety Captain; Brad Peterson, Public Safety Captain; Paul Sponholtz, City Engineer.

4. OPEN FORUM

Mayor Bailey opened the Open Forum. He said two people had signed up to speak, and asked everyone to limit their comments to three minutes and to please state their name and address for the record.

I'm Janna White, and I live at 8463 Hadley Avenue South. My husband and I moved to Cottage Grove in 1986, and we've never found a reason to move. I worked as a teacher and a media specialist in South Washington County Schools for 25 years. Cottage Grove is a welcoming place, and I have always felt safe here. So, I was surprised to learn that our HERO Center is leased to ICE for training. I was present at a meeting with Mayor Bailey and other City officials as they addressed the concerns of our Immigration Task Force. At that time, we were assured that local law enforcement wants our citizens to feel safe to ask for help from our officers. It is my opinion that residents of our community have a right to that expectation of safety. The recent news stories about people being detained by ICE, even if they are citizens, causing people of some ethnicities to carry their passports with them or to feel wary about leaving their homes, it concerns me. I ask you not to condone ICE actions that do not follow due process and constitutional rights by ending the HERO Center lease to ICE when it comes up for renewal next. Please keep our Cottage Grove residents safe. Thank you for your time.

Mayor Bailey said thank you, Janna.

Good Evening, my name is Ruth Jones. I live at 8180 Janero Avenue South here in Cottage Grove. I didn't move here until 2021, right during the middle of the pandemic, and I am so happy to be here; and I have to say you guys,

I appreciate everything you do, all the government service people, this is a great town, so yay! People ask me, I moved from Wisconsin, they're like, how do you like it in Cottage Grove? I like it, it's great! So, I just have to say that, that's really important. So, that contract that Janna was referring to, it's renewed on the 1st of August and for a year, for \$74,600, they get use of the HERO Center. We no nothing, we don't cooperate, just we know we got their money and they get our HERO Center, and since 2020, they have gotten \$749,000 from ICE. Okay, like I know we've got to pay for the HERO Center and all of that, but I have some concerns: Having ICE in our community is the main one. As a resident and a taxpayer, I feel complicit, I feel compelled to speak out, use my voice to object to this agreement both because it leads to having the presence of ICE in our community and because it supports their mission. I do NOT support ICE or their mission, and I am quite certain that a majority of Cottage Grove residents feel the same way I do. I feel it is urgent to keep this information circulating so the general public is aware of this. We, the citizens of Cottage Grove, do not have any control over this because there's not like a voted representative who decides this or whatever; it's not even these guys, really, they don't decide it, it's like a HERO facility, whatever Board. Separate, totally separate issue, so the only way for us to have any kind of is to tell people, let you know what's happening, right? So, that's why I'm here, I have a big mouth. We do have input in this forum, which I am grateful for. I urge you to NOT renew this contract when it expires and to cut our City's ties with ICE. And thank you very much for allowing me this forum to speak.

Mayor Bailey said you got it, thank you.

Mayor Bailey said that was everybody who had signed up, but if you didn't get a chance to sign up, if you just want to head up there and state your name and address for the record.

Hello, Bonnie Matter, 6649 Inskip Avenue South, Cottage Grove, said the question that I wanted to ask has to do with budget. I noticed that we have hired two new employees, there's two additions, or at least you're looking for them, it's a Community Development Manager and also a Utilities Manager for Public Works, and I don't remember that coming up at any of the budget workshop meetings that I attended. So, how will we pay for those adds? Thank you.

Mayor Bailey said well, I know our staff can actually provide it to you, but they actually were in the budget. As a matter of fact, we changed the title and the pay structure, actually I think lowered it a bit; we used to have a Community Development Director and now it's Community Manager, so they have that bigger title, but they were in the budget.

Bonnie said excuse me, so these are replacements? Mayor Bailey replied they are replacements, yes. Bonnie said okay, thank you. Mayor Bailey said yep, you got it. Bonnie said I didn't know that, thank you all.

As no one else wished to address the Council, Mayor Bailey closed Open Forum.

5. ADOPTION OF AGENDA

Motion by Council Member Olsen to adopt the agenda; second by Council Member Thiede. Motion carried: 5-0.

6. PRESENTATIONS

A. Public Safety Reserves Swearing In

Staff Recommendation: Swear in Michael Haatvedt, Sam Anderson, Jeff Cates, and Marcie Meierhofer as Public Safety Reserves.

Mayor Bailey said while Captain Brad Petersen goes up to the front, I'm going to ask Council to join me on this end of the Council dais because they're going to be coming in, in the front here. So, Brad, I'll kick it off to you.

Captain Petersen said Good Evening, Mayor, Council, staff, and guests. Tonight I have the distinct privilege of introducing our community to our four newest Reserve Officers. As you may or may not know, our Police

Department has a rich history of having a very strong and robust and active Reserve Officer Program. This is a non-sworn, completely volunteer position, and these officers come from all walks of life. Some of them are on the pathway to become a fulltime police officer someday, and others come from other walks of life, and they're just looking for opportunities to engage and give back to their community; they find a reward in that experience and offer all kinds of benefits to the department. They do all kinds of things like support our community events, do traffic control during events, do transports, patrol our parks and streets in the evenings, and help in any way they can. So, they're an incredible asset to our organization, and they're one of the many reasons that the Police Department is so strong and successful. So, without further ado, I'm going to call up our four newest officers to join us up front: Michael Haatvedt, Sam Anderson, Jeffrey Cates, and Marcie Meierhofer. Our City Administrator will administer the oath.

City Administrator Jennifer Levitt said all right, please raise your right hand and repeat the oath after me, which they all did. Administrator Levitt said congratulations, and everyone applauded. Administrator Levitt, Mayor Bailey and the Council Members shook hands and congratulated each of the new Reserve Officers.

Captain Petersen said all right, now for the fun part of the ceremony, we get to do the badge pinning. So, I'm going to have Michael's wife, Kelly, come forward and pin his badge on as I read his bio. Michael Haatvedt joined the Reserves in 2024. Beyond his service with the Police Reserves, he is also involved with other community organizations, holding positions as the second Vice President of the Cottage Grove Lions Club since 2022, and serving on the Board for the Cottage Grove Convention and Visitors Bureau since 2025. He is a family man, and he and his wife have been an integral part of the Cottage Grove community for over 25 years. He also has a daughter who started college at the remarkable age of 13. Michael loves to serve the people of Cottage Grove, and thank you very much for your service, Michael. You've been a great asset already, and we're looking forward to the future. So, thank you. Everyone applauded.

Captain Petersen said Sam Anderson is going to have his mom, Tessa, come forward with his badge. Sam grew up in Cottage Grove and graduated from Park High in 2022. He began as a Police Explorer with the Cottage Grove Police Department in 2021, and he's honored to continue as a Police Reserve. Sam is also a fulltime firefighter with Cottage Grove, and he's also completing his paramedic training. So, Sam is incredibly dedicated and an amazing servant to Cottage Grove in many, many way, so we're very happy and thankful to have him. So, thank you, Sam. Everyone applauded.

Captain Petersen said Jeffery Cates' wife, Rhoda, and his children will come forward, or maybe just Rhoda. Jeff was born and raised in Midwest City, Oklahoma. He moved to St. Paul in 1991, he graduated from the Apostolic Bible Institute with a Bachelor's Degree. He also attended Brown Institute of Technology. He's been married for 33 years, and he's called Cottage Grove home for the past 25. He and his wife are blessed with three amazing children, Brooke, Kaylee, and Jeff, Jr. For the past 30 years, Jeff's worked in the IT industry for Global Data Protection Company, supporting critical systems and infrastructure. Outside of work, he's passionate about outdoors, sports, spending time with family and friends. He's also an active member of the Sanctuary Church in Oakdale where faith, community, and service are central to his life. So, thank you, Jeff. Everyone applauded.

Captain Petersen said next is Marcie, Sergeant Matt Jordan will pin her badge. Marcie is an Air Force veteran, she works as a paralegal for the Ramsey County Attorney's Office. She has a 21-year-old son, Caleb. She's looking at the Reserves to be a good opportunity to get closely involved with her home community. So, thank you, Marcie. Everyone applauded.

Captain Petersen said so, we'll take a group photo. A photo of the new Reserve Officers, Captain Petersen, Administrator Levitt, Mayor Bailey, the Council Members, and all Cottage Grove officers who were present was taken. Afterward, the family members and friends of the Reserve Officers were invited up for a photo with Captain Petersen, Mayor Bailey, and the Council Members. Everyone applauded them.

Mayor Bailey said all right, it's always fun to do that and see the family members. Some of them we'll obviously be seeing around town for quite a while, doing other things, so that's pretty awesome.

B. Recognition of Community Innovation Award - Bluestem Apartments

Staff Recommendation: Receive a presentation from Bluestem regarding the Community Innovation Award.

Mayor Bailey said next is the Community Innovation Award to Bluestem Apartments. Melissa Taphorn is going to kick this off, and she doesn't know this, but I'm going to bring this up. She was awarded as the NAHRO Outstanding Professional of the Year, nationally; she was named the 2025 National Association of Housing and Redevelopment Officials Outstanding Professional of the Year. This is, by the way, their highest and most prestigious individual honor, and it's obviously celebrating Melissa's professional lifetime of excellent work and deep commitment to solving community housing issues. This one example here in Cottage Grove took a lot of people coming together with the City, County, State, and Federal, and you somehow got them all to come together and created that amazing affordable senior facility here in Cottage Grove, which you're going to tell us about. So, on behalf of myself, the rest of the Council, our staff and all of the citizens of Washington County, not just Cottage Grove, congratulations on this amazing award, and thank you for your service to our communities.

Melissa replied thank you, and everyone applauded. She said so, when you work in public service, you're not very good at taking accolades like that very well.

Melissa said I love this one that I'm going to do because it's not about me, it's about this team; like you said, bringing a lot of people together. So, I want to introduce some people that we have in the audience with us tonight. A couple CDA Commissioners, Dan Dingle, who represents District 4 here for us, and Peg Larsen, who represents District 3, the Stillwater and St. Croix Valley area. As well as staff, Deputy Executive Director Carla Schumann, Administration Director Alyssa Soderlund, and then Dan Walsh, with Trellis Company, he's the Vice President of Housing Development.

So, I appreciate the time on your agenda tonight to celebrate Bluestem Apartments, which recently opened this Spring and is fully leased, by the way. It's located across the street from the library and next door to Dunkin' Donuts, which is very important. So, as you said, the Bluestem Apartments was recently recognized by the National Association of Housing and Redevelopment Officials, we call it NAHRO, and we got two awards: One is an Award of Merit, and one is an Award of Excellence in Affordable Housing. There were 167 Awards of Merit issued and only 17 Awards of Excellence throughout the country. So, I think of it as we are in the top 10% of our colleagues.

The reason this was recognized is it's the first Restore-Rebuild development in Minnesota. It utilized Washington County CDA's Faircloth units, to create new project based, rental assistance units. It has a bunch of fancy HUD terminology to say that we used some innovative and new paths to create new Federally-subsidized housing, which has not been available on its own for decades. So, we're really excited about that, it's something that is completely lacking in Washington County, much less throughout the State or the country.

Bluestem Apartments provides seniors, 62 years and older, and residents with disabilities earning 30% of the Area Median Income (AMI), so essentially around \$2,650 a month, with the ability and dignity of affording to pay their own rent. The Washington County CDA partnered with Trellis to leverage scarce Federal housing resources to stabilize housing costs for our lowest-income elders. Dan and Carly are the people who made Bluestem a reality. They are the smartest people I know, by far, and who fully believe in the transformative impact of Affordable Housing, and the impact it has on both individuals and communities. On top of doing all the normal development stuff, like lining up financing, getting land use approvals, and construction details, Dan and Carly have worked tirelessly with HUD, and I mean every single department that HUD has, to forge a brand-new path to securing a long-term rental assistance contract at Bluestem.

The Restore-Rebuild Initiative Guidance was being written while we were going through this process, and HUD was learning alongside with them, which can be both good and bad, but it's certainly not a fast path and it's certainly not without some uncertainty and at some risk. So, we're really excited that Trellis was on this path with us, and we're very grateful to them. It's a beautiful building and like I said, fully leased. But we wanted to share this honor with you, as the City of Cottage Grove has actively invited and continues to invite developers to build housing, which is affordable to seniors and employees in this community. You look for ways to keep people here and to entice new neighbors. Thinking about the two women that spoke earlier from the '80s and the 2020s, that's the beauty of this neighborhood; it continues to grow, but it keeps the people here because there are great things happening here. And you also take it one step further, you invest in housing, your resources, and I really appreciate

that, that welcome and that willingness means so much to Affordable Housing developers. Dan told me a few times that Trellis would not have moved forward with this development but for the commitment of the City and the CDA, and we are so happy to share this national recognition with you. So, thank you.

Mayor Bailey said fantastic, thank you. I think it would actually be great, though, let's get the Board and everybody up here for a picture. Council, are you good with going down in front, let's do that. I think this is important. Photos were taken with everyone involved, along with the awards, and Mayor Bailey and the Council Members shook hands with and congratulated each of them.

Mayor Bailey said and once again, Melissa, thank you for your service and dedication. It's quite an honor to get that type of award, let alone the ones that we're celebrating this evening.

Just for the public, and you kind of mentioned it earlier, Cottage Grove has been on the forefront when it comes to asking for help with Affordable Housing opportunities. As a matter of fact, our County Commissioner, Karla Bigham, always mentions to me that there were some dollars out there that a different community wanted or at least at the beginning wanted, and when they said they didn't want it anymore, I was the first one to call her up and say we'll take it, which obviously helped with this project. So, all that worked out really well, and kudos to our staff, too, for the great work that you did on coming up with some of the funding and things that we could do to help out as a community. We love, love this project, so thank you all.

- C. Proclamation - 2025 Indigenous Peoples' Day
Staff Recommendation: Proclaim October 13, 2025 as Indigenous Peoples' Day.

Mayor Bailey said he asked Council Member Olsen if he would read this proclamation and make the motion afterwards.

Council Member Olsen said thank you, mayor, again this is a proclamation honoring Indigenous Peoples' Day, which was October 13, 2025. He read the proclamation aloud.

Motion by Council Member Olsen to proclaim October 13, 2025 as Indigenous Peoples' Day; second by Council Member Garza. Motion carried: 5-0.

7. CONSENT AGENDA

- A. Approve the September 17, 2025 City Council Special Closed Meeting Minutes.
- B. Approve the September 17, 2025 City Council Regular Meeting Minutes.
- C. Approve the June 3, 2025 Convention and Visitors Bureau Regular Meeting Minutes.
- D. Accept and place on file the minutes from the August 25, 2025 Planning Commission meeting.
- E. Approve the issuance of rental licenses to the properties listed in the attached table.
- F. Approve the Standard Paid Family and Medical Leave Insurance Policy for 2026.
- G. Authorize issuance of an on-sale intoxicating/Sunday liquor license to Casa Mia Restaurant & Bar, 7420 80th Street South, #101.
- H. Approve the amendment to the 2025 Firearms Hunting Areas that includes PIDs 1402721210009 and 1402721120012.
- I. Authorize the purchase of personal protective equipment for police and police reserves, crime scene team uniforms, and forensic training expenses utilizing criminal forfeiture funds (not to exceed \$18,349.21) to be reimbursed by Washington County.
- J. Authorize the Regions Hospital EMS Clinical Experience Agreement.
- K. Approve the Cantaloupe Master Service and Processing Agreement.
- L. Approve the South Washington Watershed District and City of Cottage Grove Cost Participation Agreement for the Geis Property.

- M. 1) Adopt Resolution 2025-150 approving a Conditional Use Permit for a Lower Potency Hemp Edible Retailer at 8711 East Point Douglas Road South, Unit #108. 2) Adopt Resolution 2025-149 approving a Conditional Use Permit for Cannabis Retail Sales at 8711 East Point Douglas Road South, Unit #108.
- N. Adopt Resolution 2025-148 approving a Variance to split a 47.63-acre parcel of land located at 6129 Lamar Avenue South into one 3-acre parcel when a minimum of 5 acres is required, based on the findings of fact and subject to conditions.
- O. Accept the quote from J M Hauling, LLC. to implement the action ordered by Resolution 2025-134 on September 3, 2025, and resolve the hazardous building issue at the property located at 8274 Hemingway Avenue South.
- P. Accept the quote from QuickTurn Property Services to implement the action ordered by Resolution 2025-134 on September 3, 2025 in the amount of \$13,200.00 and resolve the hazardous building issue at the property located at 8274 Hemingway Avenue South.
- Q. Adopt Resolution 2025-155 authorizing publication of the Draft 2025 East Ravine AUAR Update and Mitigation Plan for the 10-day comment period.
- R. Approve the increased budget amount of two single-axle dump trucks from \$650,000 to \$656,000.
- S. Approve Change Order #1 in the amount of \$882.82 for the Public Works Facility Mechanics Shop Remodel Project, increasing the contract amount from \$298,915.00 to \$299,797.82.
- T. Approve Change Order #1 in the amount of \$131,850.29 for the Intermediate Zone Water Treatment Plant Project, increasing the current contract amount from \$90,135,600.00 to \$90,267,450.29.

Mayor Bailey wished to pull Item R, Increase Budget Amount for Two Single-Axle Dump Trucks, on the Consent Agenda just for a comment. He said just for the public to be aware, and the only reason I'm bringing this to light, if you will, is we're having to increase the amount of money that we're spending for these two dump trucks by a total of \$6,000, that's \$3,000 per truck. The reason is because of the tariffs, so I just wanted you to be aware it's obviously affecting all communities and everyone around the country. In this particular case, the budget had to be raised because the price went up to cover the tariffs; on each of these trucks and I believe it was the chassis where there was an additional \$3,000 direct charge as it relates to the tariffs that are currently in place around the nation. So, I thought it was important to share that with the public, to be aware that it is affecting us here in Cottage Grove in this and many other areas, too. In this particular case, it's very simple to see the amount and what it was for.

Motion by Council Member Thiede to approve the Consent Agenda; second by Council Member Garza.
Motion carried: 5-0.

8. APPROVE DISBURSEMENTS

Staff Recommendation: Approve disbursements from 09-26-2025 through 10-09-2025 in the amount of \$3,568,472.03.

Motion by Council Member Olsen to approve disbursements; second by Council Member Clausen.
Motion carried: 5-0.

9. PUBLIC HEARINGS

A. 2025 Pavement Management Assessment Hearing

*Staff Recommendation: 1) Conduct the Public Hearing for the 2025 Pavement Management Project.
2) Adopt Resolution 2025-154 adopting assessments for the 2025 Pavement Management Project.*

Mayor Bailey said Crystal Raleigh, our Assistant City Engineer, is going to walk us through this one, so welcome, Crystal.

Assistant City Engineer Raleigh said Good Evening, Mr. Mayor and Members of the Council, I am here to talk to you about the 2025 Pavement Management Project this year. Our Pavement Management Program in Cottage Grove dates back to 1994-1995. Over the years, we've had a Pavement Management Project and reconstructed over 90 miles of streets in Cottage Grove, and with that, we've assessed more than 8,000 individual properties throughout that time. What we've done is reconstructed in some older neighborhoods and really maintained our streets to what they are today.

This year's project was in the Hidden Valley neighborhood. Hidden Valley is just west of Hinton, east of Hardwood Avenue, south of 70th Street. It was constructed, the first addition in the southeast corner dated back to 1986, and the newest area of the neighborhood is up in the northwest corner, in about 2004 or 2005 is when that was completed. Over the years, we've had lots of maintenance projects on the streets within this area, including patching and thin overlays, projects of that nature, but it was time for a full reconstruct on these streets.

I've got some before and after photos to show: The first photos are from the third addition, about 7151 Hidden Valley Trail South. On the photo on the left, you can see some major cracking in the pavement and actually vegetation growth, and then on the photo on the right is the newly-constructed street, still wet, so that's exciting, no cracks, a nice, smooth pavement surface.

This photo is from the fourth addition, near 7450 Hidden Valley Trail South. The curb in some areas of the subdivision was in really bad shape; so, while we did a spot curb replacement for most of the neighborhood, some areas did get full curb and this is one of them. On the picture on the left, you can see how bad a shape the curb was in, and then on the right, we've got brand-new curb through this area.

This photo is from the fifth addition, about 7138 Hidden Valley Lane South. There's some patching that you can see and some significant cracking on the before photo, and a nice, smooth surface on the after photo.

Then, in the sixth addition, we've got a lot of cracking on the photo on the left; on the photo on the right, no cracking. You'll also notice on that median island, there were several medians with islands in this subdivision. The noses of those medians are really subject to a lot of damage from our snowplows, so we changed all of those islands to have a plow-friendly median nose, so it has a small ramp, which is easier on the plow and easier on the curb.

While the project went pretty well for the most part, there were some challenges. There were some challenges with the Pavement Management Project, but a lot of the challenges were actually from a separate project that was going on in the neighborhood at the same time. So, Gateway Fiber, the City partnered with Gateway in the spring to do a fiber install throughout several areas in Cottage Grove. We said hey, let's get a jump start in the Hidden Valley neighborhood since that's going to have a Pavement Management Project this year, and we wouldn't want the fiber to come in after the Pavement Management was done and mess everything up. That was a great plan, but it didn't quite come to fruition. Gateway had a ton of challenges in this neighborhood: First, when they were calling in utility locates to mark existing electric and existing gas, and other infrastructure, they had trouble getting that many locates done. So,USIC does a lot of the utility locating, and they didn't have a lot of staff dedicated to Cottage Grove, so it took a really long time. There were multiple calls for locates, and it would be a long time before they could actually start drilling for the utilities. On top of that, the gas was not locatable through the neighborhood. So, there are gas mains in the neighborhood that do not have a tracer wire installed. A tracer wire is what allows us to locate and mark out where the gas line is; so, in order to find it, the companies had to pothole down to try to look for it, so there were a lot of holes that were dug to try to find that gas. On top of that, there were large cobbles; as you can see on the picture on the bottom, really large stones throughout this neighborhood, that's what's under the roadway, it's what's under peoples' homes, just a very rocky soil, which is tough for drilling. Then Gateway had issues with our contractor, ended up parting ways with the first contractor, they needed to take inventory to see what was left, and then hire a second contractor to finish up. Good news, they finished up today, all the ductwork is in the ground, the fiber is not pulled in yet; they hope to light the fiber at the end of the month or first week in November. So, the project got done, it just got done later than we wanted it to.

This is the breakdown of the funds for this project: In total, the project was \$3,098,440.97. There are several Utility Funds that are proposed to be used to fund the project. Now, the utilities that were repaired with the project are subject to assessments as well, but the Utility Funds will cover 55% of those costs with assessments covering 45%

of the costs. Our Parks and Trail Funds will cover some of the costs of this project; the General Levy is set to pick up about \$1 million of the project, and then assessments will pick up that remaining 45%, to the tune of \$1,216,814.40.

This picture shows the assessable properties that are within the Hidden Valley neighborhood: All the properties in green are assessable single-family homes. The properties that are blue are park properties, and it's important to note that the streets along park properties are paid for by the City; so, the streets that front parks are not assessed for that 45%-55% ratio, the City pays 100% of the street costs in front of park properties.

So, there were 229 assessable units within the Hidden Valley subdivision. In our Infrastructure Task Force Policy, we call those assessable Residential Buildable Lot Equivalents, or RBLEs. At the beginning of this project, which was last year around this time, our estimated assessment was \$6,329.73. Every year with our Pavement Management Project we do a Special Benefit Appraisal, and then we look at the benefit to the property from having a street reconstruction done in front of their home. Our Special Benefit Appraisal was done on a few different properties in the neighborhood and it ranged from \$7,400 to \$8,300; so, that supports our assessment. The final assessment after the construction project was finished came in at \$5,313.60, so we were under budget and it was about \$1,000 less than what we had anticipated. If a property owner would choose to pay the assessment over a series of 15 years, the average annual payment would be \$488.08.

So, residents would have 30 days to pay the assessment in full without being charged any interest. If they do not pay that assessment in full, they can pay partially as long as that payment is over \$500; so, any amount over \$500 paid within the first 30 days will not be subject to interest. Any amount that isn't paid within the first 30 days would be carried out over a period of 15 years at an interest rate of 4.6%, which is 1.5% over the City's bond rate.

Deferral is available for folks that meet those conditions, disabled, military, ages 65 and older, we can work individually with property owners if they think they might qualify for those deferrals, but interest does still accrue during that deferral period.

Crystal said, with that, the recommendations are on the screen before you, and I'm happy to answer any questions.

Mayor Bailey said thank you, Crystal. First, Council, are there comments?

Council Member Olsen said thank you very much for the presentation. Every time we have to go through this process, there are some consistent questions that seem to come up, and so I just want to touch base on a couple of those. The first is whenever you're working in peoples' front yards, there is a need to restore to the best of our ability the yard to the way that it was previously, and that's not always easy to do. A lot of times there's some sod work or hydroseeding or different things like that, and then we've got the added challenge here of the fiberoptic cable that's getting completed I think you said the end of the month, sometime like that?

Crystal replied correct, it's all installed.

Council Member Olsen said so, I'm wondering if you can just clarify for us what is the game plan with respect to restoration? Are we thinking we're still going to try to do some things in this calendar year, are we going to wait until spring? How are we going to bring that online so that everybody feels as though they've been taken care of appropriately?

Crystal replied sure, thanks for the question, Council Member Olsen. The restoration against the curb that was removed and replaced with the Pavement Management Project, has been completed by the contractor, and that grass is actually growing in quite nicely in comparison to other years that I've seen here. So, that restoration nearest to the street is looking pretty good. The restoration due to the Gateway Fiber project is still ongoing. So, they are planting grass, they're putting some straw out to help give the grass a chance at growing, but we will not close out that Gateway project until the restoration is good. It probably won't be closed out until next year at this point. So, we will continue to work with property owners into the spring if their grass isn't coming in, we'll keep working with them until it is.

Council Member Olsen said and by close out, I think what you mean is we don't make final payment on that project until we're happy that it's done correctly.

Crystal replied that's correct. We won't make final payment on the Pavement Management Project until we're satisfied with the results. We also won't close out that Gateway permit until we're satisfied with what they've done.

Council Member Olsen said and then in addition to that, I know that there's always periodic questions about driveway aprons and things. Did we run into any challenges there?

Crystal replied yep, there's always a series of challenges with driveway aprons. The expectations of some residents on driveways are different than the City standards that are specified in our project plans. We study the driveway details to make sure that the driveway can stand up to typical residential traffic, and that driveway detail that we use is there's a concrete detail and there's an asphalt detail; that's the same driveway we use in every driveway that we end up reconstructing in the subdivision, and that's what we did this year as well.

Council Member Olsen said okay, perfect. Thank you very much for that.

Council Member Clausen said I have one, I think it might be more for Brenda, though, but maybe you can try on it. I've heard this question come up, and again, it's about benefit assessments. A benefit assessment, from what I understand, is different than if you get your house assessed. There's a difference, and it can be very confusing and there were some contentious moments last year trying to understand what this was. I'm wondering maybe if you can explain that for the audience a little better if you can.

Crystal replied I will take a shot at that, and if I'm incorrect, Brenda or Kori can help out. Council Member Olsen said Brenda's very good at benefit assessments, just so you know, she's really got it down.

Crystal said so, the Special Benefit Appraisal, that's different than a home appraisal. So, the home appraisal tells you what the value of the home is on the lot that it's on. The Special Benefit Appraisal tells you how the value of the home changes with the street the way that it was before the project and after the project. So, it tells you that the value of the home is increased when there's been a new street reconstruction project in front of the house.

Council Member Clausen replied okay. Crystal said I got a thumb's up, that's good. Council Member Clausen said thank you very much.

Council Member Olsen said as I recall, didn't we have a challenge to that last year, and that really didn't go well for them, from what I recall, is that right?

Attorney Kori Land replied Your Honor, Members of the Council, as you know, Special Benefit Appraisals are unique to each property. So, we do a random sampling of the project area to try to get what the maximum amount we could assess and then we analyze that and do an appropriate assessment amount. But we can't exceed the Special Benefit Appraisal that we've done. Then, if somebody challenges their assessment, which anybody can do, we do a second Special Benefit Appraisal to make sure that that unique property is appropriately appraised for the value, to make sure that we truly can support the amount that we assessed. So, the random sampling, it is truly random, we try to take an average property; if it's a corner lot, we'll try to do a corner lot, we'll do a middle of the block lot, we'll try to do residential vs. commercial, to make sure that we're not exceeding a maximum amount that we could assess. But then what it boils down to in the end is the specific property, I will make sure that we can uphold that. Last year, there were two people who challenged their assessments, and eventually, I think they settled; so, we didn't actually go to a hearing, but we would have been able to prove up the appraised value because we did get a second Special Benefit Appraisal. So, we would do that in any situation if somebody wanted to challenge their assessment.

Council Member Thiede said because I did have someone call and ask about whether they'll actually get sent a bill, and as I recall, we do. I guess I have a question, does the 30 days start when they get their bill or tonight?

Brenda Malinowski, Finance Director, replied thank you for the question, Council Member Thiede. In the morning, we have letters set to go that will be sent to the homeowners. It is 30 days from the hearing date, so they will have until November 14 to make that payment in full, or some payment over \$500. And on that letter, it gives all the options of payment in full, just letting it go onto the property taxes, making some kind of partial payment. If they want to pay sometime in the future, they just contact the Finance Department, we give them that dollar amount at that point to pay that assessment off, and then not incur any future interest on it.

Council Member Thiede asked and what do we estimate the percentage rate, if they chose to finance it through the property taxes?

Director Malinowski replied the interest rate is 4.6%.

Mayor Bailey said all right, thank you, Crystal.

Mayor Bailey opened the Public Hearing. He asked if there was anybody who would like to speak or ask questions on this assessment? As no one wished to speak on this matter, Mayor Bailey closed the Public Hearing.

Motion by Council Member Clausen to Adopt Resolution 2025-154 adopting assessments for the 2025 Pavement Management Project; second by Council Member Thiede. Motion carried: 5-0.

- B. Cottage Grove Logistics Park 2nd Addition Final Plat and Easement Vacation
Staff Recommendation: 1) Hold the Public Hearing to vacate certain easements within the Cottage Grove Logistics Park Plat. 2) Adopt Resolution 2025-151 vacating certain easements within the Cottage Grove Logistics Park Plat. 3) Adopt Resolution 2025-156 rescinding, terminating, and releasing Construction, Repair, and Maintenance Agreement for Stormwater Utilities, Sanitary Sewer, Watermain, and Streetlights for Cottage Grove Logistics Park. 4) Adopt Resolution 2025-152 approving the Preliminary and Final Plats for Cottage Grove Logistics Park 2nd Addition.

Mayor Bailey said Emily Schmitz, our Community Development Director, is going to take us through this one. Welcome, Emily.

Director Schmitz said thank you, Mayor, Council. This evening is an easement vacation and Preliminary and Final Plat for the project that you are likely familiar with in our Business Park, NorthPoint, or Cottage Grove Logistics Park. Back in 2021, we approved their Master Plan. At the time, it was for nine buildings to be constructed within phases. In 2022, they came to us for their first phase, and built the first two buildings as a part of their project. It's important to note that their project was proposed each on individual lots; so, each of these buildings was proposed to have an individual lot, however, there was shared infrastructure between each of these buildings that they were proposing. More specifically, the parking as well as the stormwater infrastructure. So, through 2022, 2023, they built the first two buildings, as well as the public improvements to 100th Street, Ideal Avenue, and 105th Street.

The Cottage Grove Logistics Park team has come to us and said we are looking to be prepared for an opportunity if it should present itself on the Outlot that has been preserved for the future phases of their development. In order to do so, they want to make sure that the infrastructure that supports the two lots that have been created for Buildings 1 and 2 is contained within each of those lots to support those buildings. So, with that, they are proposing to shift some lot lines, and then as you can see, I'm going to call it a little bit of cleanup perhaps is the best way to put it. Outlot B came to be under Cottage Grove Logistics Park ownership as a part of the Prairie Dunes residential development; it's a long story, but it just made practical sense for the Logistics Park to own that parcel. Then Outlot D, on the south side of the project, has always been under their ownership but a separate parcel. Then you have the five-acre parcel in the southeast corner, and that has been under their ownership for a handful of years now as well. So, they'll be incorporating that into that Outlot to really clean up the area.

Before they're able to actually record this new plat, we have our standard ten-foot Drainage and Utility Easements that I'm always chirping about up here, that are along those property lines. We need to vacate those so that they can shift those lot lines and replat that ten-foot standard Drainage and Utility Easement along the new lot lines, as they shift those to incorporate the stormwater infrastructure, as I had indicated, and the parking area within Lot 1 of the Cottage Grove Logistics Park. So, you will see on our recommendation slide, you've got a couple of actions for that vacation.

Director Schmitz said then there are a couple of cleanup items that come along with this proposal as well: An emergency access, actually it's a temporary emergency access, that you can see kind of on the northeast side of Building 2 was constructed to ensure that we've got those two access points for emergency services. However, by incorporating or shifting those lot lines to ensure that Building 2 can stand alone, they are shifting that emergency access to actually access Building 2 in the southwest corner, as you can see on the image here, to ensure again that both of these buildings have two access points in the case of an emergency.

Finally, the stormwater infrastructure that had been constructed to support Building 2 actually had a lot line that went right down the middle; so they're looking to shift that lot line to encompass the entirety of that stormwater pond, and then route that stormwater to the west to an actual existing pond on the west side of the project instead of the original plan, which pushed the water kind of south into a future developable area. In order, again, to preserve all of that within that lot, they are proposing to add some additional infrastructure.

Director Schmitz said the recommendations are before you this evening. I will make mention that in order to cleanup that stormwater maintenance agreement, when we have private stormwater infrastructure, we want to make sure it's maintained to our standards. We are rescinding that and working through a brand-new one, so you'll see that as part of the recommendation as well.

I will certainly stand for any questions, and I know a representative from NorthPoint is here as well if you have direct questions for them.

Mayor Bailey said thank you, Emily. Any question from Council on this one? I know we saw it come through the Planning Commission and that, too.

Mayor Bailey opened the Public Hearing. He asked if there was anybody who wanted to speak for or against or ask questions on this item?

Again, hello, Mayor, Council Members. My name is Bonnie Matter, I live at 6649 Inskip Avenue South in Cottage Grove. And I guess I just want to share that I know that, well, in my mind, this is a Data Center. If it walks like a duck, looks like a duck, it's probably a duck. So, I just have some concerns. On 7-22-24, there was Prairie Dunes, the Outlot B, there was an agreement made so that transferred to someone else. I don't know what it is, it was an LLC. On 11-25-24, there was a NorthPoint Data Center Conditional Use Permit overlay over the NorthPoint Master Site Plan. On 2-05-25, the Prairie Dunes Outlot B was deeded to NorthPoint. On 3-24-25, there was a Zoning Code Update, removing the Planning Commission from reviewing environmental documents, okay? That was a big red flag. On 9-22-25, NorthPoint Preliminary Plat at the Planning Commission. On 10-15-25, Cottage Grove Logistics Park 2nd Addition Final Plat. My concerns are this: I feel like there is no transparency for the community, the residents are being kept involved. Let me put it this way, I would hope that City staff and City Council would not be involved in any NDA with that developer. So, that's kind of where I'm at, and if this is a Data Center, then tell the community so that they can get their concerns voiced. My concerns are this, and I gave them at the Planning Commission meeting, but I didn't receive any feedback: When will the AUAR be updated with the Data Center information, including the environmental information, and available for review and public comment? The issue here is that this does not fit within an AUAR, it's just this is where they can put it. Who will occupy that Data Center? How much water will the Data Center use per day, per year? Where will the water come from? What is Cottage Grove's current water appropriation amount? Has the developer requested information on groundwater availability and local capacity? How many megawatts, kilowatts, gigawatts will this Data Center require? What's the range? What type of backup power generation will be used during outages? And, if so, how many? What are they, what kind of megawatts are required? I just don't want us entering into anything that we're not letting the residents know about. I want transparency around this, and I have followed this, step by step. I can give you dates, I can tell you what was said, and so, I would just like the air cleared. If that's what you're going for, then tell people that's what you're going for, and how it's going to impact this community because they're all over. Thank you.

Mayor Bailey replied thank you.

As no one else wished to speak on this matter, Mayor Bailey closed the Public Hearing.

Motion by Council Member Thiede to Adopt Resolution 2025-151 vacating certain easements within the Cottage Grove Logistics Park Plat; second by Council Member Garza. Motion carried: 5-0.

Motion by Council Member Garza to Adopt Resolution 2025-156 rescinding, terminating, and releasing Construction, Repair, and Maintenance Agreement for Stormwater Utilities, Sanitary Sewer, Water Main, and Streetlights for Cottage Grove Logistics Park; second by Council Member Clausen. Motion carried: 5-0.

Motion by Council Member Clausen to Adopt Resolution 2025-152 approving the Preliminary and Final Plat for Cottage Grove Logistics Park 2nd Addition; second by Council Member Olsen. Motion carried: 5-0.

Mayor Bailey said what I thought I would share real quick, based on what was just shared during the Public Hearing, whatever would come on this site or frankly, any other site in our community, will still have to go through the Planning Commission and also the City Council. So, at that particular point, there'll be an opportunity for people to ask questions, whatever that might be. So, I just wanted to throw that out there, okay?

- C. Unpaid Special Charges Assessment Hearing
Staff Recommendation: 1) Hold the Public Hearing. 2) Adopt Resolution 2025-153 adopting the assessment for Unpaid Special Charges on private property.

Mayor Bailey said Brenda Malinowski, our Finance Director, is going to take us through this. Welcome, Brenda.

Director Malinowski said thank you, Mayor, Members of the Council. Tonight in front of you is the Assessment Hearing for Unpaid Special Charges. We do this annually, and we are able to do this per our City Code, City Ordinance 4-3-1 refers to Noxious Weeds and Plants, Height Restrictions. It states that it's unlawful to allow or permit any growth of weeds or grasses to a great height, greater than eight inches. Then, regarding Diseased Trees, that's City Ordinance 4-4-1, and it enforces those provisions in Minnesota Statutes, Chapter 18G, as it relates to the control of certain tree diseases.

The process that we follow for both of those special charges is outlined on the screen. Our Code Enforcement Officer when they notice that something is not in compliance with our City Code, they will mail a notice to our property owners with a five-day notice to abate those conditions. The Code Enforcement Officer did send notices 79 times in 2025. If they do not abate those conditions in that five-day timeframe, a contractor is hired to abate those conditions. That notice stated that, that they had five days to do that. Three times in 2025, we did have to abate those conditions and then the one time for the diseased tree. In addition, on your assessment roll tonight that you're adopting, late in the fall last year, we did abate some other of those violations, so we have three from 2024.

After we abate those conditions, an invoice is sent to the property owner, so that happened on all those instances. They can pay that invoice at that time. If they do not, then we start the assessment process, and that's where we are tonight. Failure to pay the notice results in the cost being assessed, pursuant to Minnesota Statute 429, so that happened three times in 2025, plus the three times in 2024.

We are here in front of you tonight to hold that Public Hearing. After the assessment is adopted, we will send another notice out to those property owners, giving them 30 more days to pay. If they do not, then we would certify it to be collected with the taxes. So, we did this on those nuisance properties for the tall grass and then the one instance this year for the trees.

With that, the recommendations are on the screen, but if you have any questions, we can answer those as well.

Council Member Clausen said thank you, mayor. There was a citizen who came before the board here about a month ago and had some questions on diseased trees, kind of a dispute with her neighbor. I know we spent a lot of time amongst staff and attorneys talking about that, and the consensus we really don't want to get into the tree-removal business, I guess. However, in this case, we kind of did, if I understand this. This is kind of an old case, can you kind of touch base on how we're kind of creating a fine line, maybe, and just explain a little bit?

Director Malinowski said I'm going to have Community Development Director, Emily Schmitz, come up and discuss that process a little bit more.

Director Schmitz said Mayor, Council Member Clausen, said so our Code does allow us to address dead and/or diseased trees. There is a difference between public and private nuisances, which is to be very clear, those public nuisances do impact a large number of folks, right, as opposed to maybe just one individual. So, when we think about diseased trees, there is certainly an impact to the greater good, and we do have the ability to remove and abate those trees. Dead trees, depending, you know are they impacting the public Right-of-Way, are they hanging over our sidewalk, those type of things that are impacting a public nuisance, and other different types of scenarios. We certainly want to be cognizant of the availability of staff, as well as the financial implication as it relates to if we were to address all dead trees throughout the community; that number could be astronomical, I know that's an aggressive number, but it could be \$5,000 to \$10,000 for each potential abatement that the City would have to take on to do that removal. So, in this particular instance, I would call it a unique instance, and one of those instances that we took care of it. However, we certainly don't want to, as you had mentioned, Council Member Clausen, be in the business of removing trees.

Council Member Clausen replied thank you.

Mayor Bailey opened the Public Hearing. As no one wished to speak on this matter, Mayor Bailey closed the Public Hearing.

Motion by Council Member Olsen to Adopt Resolution 2025-153, Adopting Unpaid Service Charges for the Removal of Noxious Weeds and Plants and Diseased Trees from Private Property; second by Council Member Clausen. Motion carried: 5-0.

10. BID AWARDS - None.

11. REGULAR AGENDA - None.

12. COUNCIL COMMENTS AND REQUESTS

Council Member Clausen said nothing tonight, mayor, thank you.

Council Member Olsen said thank you, mayor. Briefly, I just want to thank the Cottage Grove Fire Department and in particular, Fire Marshal Bill King, for organizing what was a very successful Fire Department Open House. It took place last Tuesday, October 7. I had the opportunity to be there, as I know many of the other Council Members were, and I saw you there as well, mayor. Very, very busy, a lot of families and Cottage Grove residents who came to the Open House for a gorgeous fall night, it was very nice to see so many people out there. Every year when we do the Open House, there's sort of a theme around that, so I know that the Fire Department was handing out a lot of information on lithium batteries and safety profile of lithium batteries and what you may or may not choose to do with those around your home. It looked like we also had several other nonprofits from the community that were there. So, kudos to the Fire Department team for putting together another really nice event.

And then I also just wanted to mention that last year on Halloween, Mike Dandl of the Fire Department had a really neat idea to hold kind of a drive through trick-or-treat event at the Fire Department. We've done different things in the parking lot of the Fire Department in the past, where we've had the truck out there, etc. and handed out candy to the trick or treaters. But last year, they didn't even have to get out of their car, they could drive right through one of the apparatus bays and show off their costumes and meet some real live firefighters and get a little something for their trick-or-treat bag, and we're doing that again this year. So, on Halloween, if you're out with a group of friends or families who are out with the young kids and you're looking for a neat opportunity, I believe it starts at 6 o'clock at the Fire Department and will run until approximately 7:00 p.m. Just come on over to the Central Fire Station on 80th Street, across from St. Rita's, show off your costumes, meet your favorite firefighters, and fill

your bag on the City of Cottage Grove. It's very safe, very friendly, and if the weather's not cooperative, it's going to be really nice as you don't even have to get out of the car. So, with that, mayor, I'll turn it back to you.

Council Member Thiede said okay, well, I'll mention the Monster Bash parade, which is October 25, at 10:00 a.m., that's a week from this coming Saturday. Again, it runs from the School District Administrative Center down to right around Applebee's. If you go to cottagegrovestrawberryfest.com, you can get a registration form to sign up to be in the parade. You will see that it says that today was the final day, but I think there are some spaces open if you actually things in this week yet. So, round up your costume, and get your friends, and come out and be in a parade.

Mayor Bailey said and get some candy.

Council Member Garza said thank you, mayor. I'll just mention right after Halloween, we always have a lot of fun chucking pumpkins. So, it looks like we're changing the location this year to Oakwood Park, and that starts on November 4 at 2:30 p.m. So, if you have some pumpkins that you'd like to chuck in different types of ways, I'd say bring them out and watch them roll.

Mayor Bailey said I actually have three items real quick, I have the most out of the group here tonight:

One is the last day to submit your essay to be Mayor for the Day is this coming Friday, which is for ages 8 through 12 years old, and it's basically about 250 words or less, just explaining why you would like to be the Mayor of Cottage Grove for a Day and what your vision is for the community. And then, of course, send a picture or attachment with your essay so we can see who you are and get a copy of the essay. It's always fun, and there's all kinds of stuff when you get chosen to be Mayor for a Day that you get to do, including driving the Zamboni at the Ice Arena, which I still haven't done yet. So, before I'm done being mayor, I've got to go up there and do that. But there are a lot of neat things, and then we get to have a little pizza party here, before our Council Meeting, and you get to help me open up the meeting, do the Pledge of Allegiance, and so on. So, it's a great opportunity for our youth in the community; so, if you're interested for your child, or know somebody that would be, again the ages are 8 through 12, feel free to submit it by this coming Friday.

The second item I just want to mention is, believe it or not, we're literally now getting into the holiday process here as we're getting into November and December. I thought I would just share, I've seen little snippets out on social media, so I did want to give everybody an update that the Holiday Train will be coming back to Cottage Grove. It'll be coming and it's going to be a great day, hopefully it'll be a nice day, and it'll be on Saturday, December 13, between 5:15 and 5:45 p.m., down along West Point Douglas Road, near the Youth Service Bureau. Of course the proceeds that are raised for this go to the Friends in Need Food Shelf, in the St. Paul Park-Cottage Grove area. I know the committee is feverishly working on raising funds on that to support the Friends in Need Food Shelf. We do want to obviously thank CPKC Rail, they're combined now, for their generous donations of cash, but also doing this around the entire country or countries, because it's in Canada, too, and planning to come back again this year. So, we're really excited to see them come back this year. Please go out and put that on your calendar and then support the Friends in Need Food Shelf.

Then one other thing, kind of piggy-backing on that, Thursday, December 4, here at City Hall, we'll be having our Hometown Holiday Celebration. That will begin at 5 o'clock with Santa, carolers, movies, treats, tree lighting, all that kind of fun stuff here at City Hall. There are a lot of things to see, our Parks and Rec Department does an amazing job of putting up decorations, with blowups and all that kind of stuff out behind City Hall here. So, I encourage everybody to come out and have some fun with us. There will be food trucks and such here, too, so you can actually come out here and have dinner and dessert.

Then the last thing is I actually was tagged on a comment on social media, and I was at a meeting earlier today and I talked to a couple other mayors of other communities; the question or the thing that I've been tagged on in social media has to do with eBikes and the laws or lack thereof or ordinances or whatever. So, at a meeting earlier today, I actually happened to talk to a couple different mayors, and I actually talked to Mayor Hovland, who is the Edina mayor. Earlier this year, they passed an ordinance because it appears they were having the same issues that we're having with the bigger bikes, if you will, the ones that go faster and such, on trails and hitting pedestrians, hitting cars, and things like that. So, what I'm just going to ask our staff to do is maybe reach out to the City of Edina just to see what they have. Then maybe at some point in time, Council, we might want to have, whether we do it

yet this year or as part of our Workshop in January, maybe a conversation along with our City Attorney about is there something that we should be looking at, which would also help our Public Safety team if there is something. If they're saying hey, we can handle it without an ordinance or something to that effect, I just want to make sure that you have the tools in your toolbox to deal with some of these unfortunate incidents it appears that are happening around our community with this new way of getting around town, I guess. And we want everybody to be safe and have fun in our parks, but again, the key word there is safe and sharing the trails with walkers.

We have a Workshop tonight, which is Open to the Public, it's regarding the Standards of Cover Study/Community Risk Assessment Overview, and we will actually be doing that in our Training Room; there is no Workshop, Closed to the Public tonight. So, we won't be adjourning in here, we will be adjourning in the Training Room. So, everybody have a great evening, and we'll see you at the Monster Bash Parade in about a week.

13. WORKSHOPS - OPEN TO PUBLIC - TRAINING ROOM

A. Standards of Cover Study/Community Risk Assessment Preliminary Overview

Staff Recommendation: Receive preliminary Standards of Cover Study/Community Risk Assessment findings from the consulting firm Fitch and Associates.

Mayor Bailey said so, we'll go ahead and get this workshop kicked off, which is open to the public. I want to introduce I believe it's Steve Knight, and this is obviously giving us kind of an overview or report on the Risk Assessment and Standards of Coverage that obviously cover Cottage Grove but outside of Cottage Grove, too. So, I guess at this point, I'll kick it over to you.

Fire Chief Jon Pritchard said Mayor, Council, thanks for joining us for this workshop, on an interim report briefing. Just a broad overview of our Standards of Cover/Community Risk Assessment Study thus far is after a robust RFP process, Council approved us to do this study in March. In March, we selected the firm, Fitch and Associates, to perform this study for us.

Since that point, we've done a pretty deep dive into data analysis, met with key stakeholders, and bringing us up to this moment gives us some of those initial findings and gives the Council a briefing on what we've had thus far. There's still more work to do, including a community focus group, refining the report, and some of the data and findings, too, in which we will bring it to the Public Service Commission in November for some feedback, and then finally to Council in December. We will then deem to use that for future Strategic Planning at the meeting in January.

So, I'd like to introduce Dr. Steven Knight, who works for Fitch and Associates, he's a partner with them; along with having a Ph.D. and an Executive Fire Officer from the National Fire Academy, Dr. Knight has also worked as a Fire Chief, including up to the rank of Assistant Fire Chief for St. Petersburg, Florida. So, he has extensive experience in Fire and EMS, and extensive experience around the country doing these studies for different communities. We were just mentioning we're probably the sixth-or-seventh study he's done in Minnesota, with a lot of those in the metro area. So, I'll hand it over to Dr. Knight to run us through the interim briefing.

Dr. Knight said well, thank you, Chief, I appreciate it. So, let me just jump in and what I'm looking to do is about 20 minutes or so, plus questions, does that sound good, or would you like? Someone replied perfect. Okay, all right, you guys keep me honest and I'll try to keep it brief. A little bit about our agenda, we're going to talk just a smidge, and the Chief's already given us an intro about Fitch and Associates and myself. A little bit of review of the substantive issues, findings, recommendations, and any questions from there, and everything is still subject to open dialogue and making sure that we have the political acumen to navigate some of the items that the data is showing.

So, a little bit about Fitch and Associates: We've been around for 40 years as a Public Safety consulting firm. Before I joined them, I was a senior manager over the Fire and EMS Consulting arm with International City County Managers Association, and then I had the fortunate ability to join Fitch and Associates and become a partner with them.

So, the project deliverables, just to break out what's occurred until today because for the sake of brevity, I'll try to focus on the more salient points for tonight; there is a lot of technical report and detail and a Quantitative Data

Analysis that we've already provided, a Comprehensive GIS and Station Location Analysis, that standalone that we did, and a Community Risk Assessment as well. So, there's a lot of detail in the background documents that really feed into the recommendations that will ultimately be the Standard of Cover and more of a public facing brief format. So, that kind of detail and information is usually kept more for the local experts as technical resources, but feel free to share those how you like.

So, some of the key considerations we're going to talk about tonight are:

- Improving Dispatch Time, Turnout Time, and Total Response Time
- Considerations for Fire Station locations, Station 4 was a specific question, and any Regional Solutions
- Capital Planning for the Fire Department Vehicles
- Considerations for Fiscal Sustainability
- EMS and also several alternatives for Cost-Sharing Strategies
- Consideration for an EMS District
- An additional Dedicated EMS Transport Unit in the future for the Fire Department to meet the growing demand in the call volumes

So, let's first jump into Improving Response Times: Based on the data, and these are all measured at the 90th percentile. If you're familiar with that, rather than the average, which would generally be between 45%-and-55%, depending on how well the data was distributed on that old bell curve, the 90th percentile is a high validity measure because it's really saying 9 out of 10 times, this is the level of service that we can expect. So, the values look a little higher, but you can resonate and be confident that that's the level of service that you'll get.

Just to give you kind of a framework for what Best Practices are in the industry for Dispatch time, we really see that right around 2 minutes or less, if the 90th percentile would be a Best Practice. You can see that it's a little long, just over 4 minutes, so there might be some opportunities to trim back that amount of time spent on Dispatch. For the sake of the conversation, the Dispatch interval, as we've measured it, is from the time that someone calls 911 or that first keystroke into the CAD to open up a call until the units are dispatched, that they're notified and have a call.

The second piece of that is the Turnout Time, which overall is about 3.1, 3.2 minutes, and the Turnout Time is measured from the time that the crews are alerted that there is an incident until the time that they say that they're actually en route and driving to the call. So, industry Best Practice on that would be 1 minute, or 60 seconds, for EMS-related incidents, and it would be about 1.5 minutes for the non-EMS incidents because they might have to don protective gear and things like that before they respond out of the station. So, most agencies are able to manage that back down towards about 1.5 minutes rather than 3, just focusing on reporting and measuring that, and sharing the information, etc.

The reason we focus on those two is if you think about it, so the Total Response Time, let me pause and go back to that. The Total Response Time is the totality of what we call hello-to-hello time, it's when someone calls 911 until your Fire Department arrives on scene to help someone. Individually, we've broken it out for what portion of that Total Response Time is assigned to Dispatch, what portion of that Total Response Time is assigned to Turnout, what portion of that is assigned to the travel time, which is just your drive time. So, understanding that, you have an opportunity to improve response time to the citizens by focusing on areas that have a lot higher return on investment. So, your most costly investment to improve Response Time is to build more stations and have more staff, right? So, the travel time is really indicated by how many stations you have in your community; so, you have an opportunity to move the pendulum by maybe getting 1 minute or 1.5 minute better performance out of the Turnout Time, and then whatever you can clean out of the Dispatch process in the future, you might be able to shave several minutes, which would translate to multiple millions of dollars in additional stations, apparatus, and personnel. Does that make sense?

Council Member Olsen said I don't know if you've gone through this yet or not, but I assume you probably have. For those of us who've been around a while, several years ago, when we looked at consolidating some of our operations through our primary station, or our station on 80th Street, one of the things we looked at was what impact, if any,

would that have on Response Times. Because there was a time when we had several stations located around the community, and we had our firefighters assigned to a specific station. Now, mind you, this is not an apples-to-apples comparison because we had volunteers. But during that dialogue, there was a study done, and I can't tell you how robust it was, but it essentially indicated that consolidating operations at the Central Fire Station would not have this great impact on Response Times. So, we felt it would be okay to maintain these Response Times that we had achieved at that point in consolidating. So, in your study, I'm just curious, did that come late where you're seeing that?

Dr. Knight replied well, I'll lay it to you this way: We had I believe 3-or-4 years of data, so it did not capture that volunteer experience before, but what I can say is I believe that you're spot on from my experience around the country. Because one of the things that occurs in a volunteer environment is your distribution model has to be a lot larger, right? Which means that you need more stations because people have to respond from the neighborhoods into the station. When you centralize and staff fulltime, you can consume all of that time driving right away, rather than waiting on the period of time for volunteers to respond to the station. So, I would be very confident to say that you most certainly have probably maintained and/or improved the Response Time.

Chief Pritchard said yeah, and I think when we talk about like Station 4 and Central Fire, I think that'll become more apparent, exactly to the question you're asking about station placement.

Dr. Knight said okay, so just to anchor this part of the conversation, and we're going to come back to it: The travel time is what we focus on a lot for the GIS because that's predicated, that's your station location, you have your road network, your road impedance, and that's how you get from Point A to Point B. In the City, your historical performance for Cottage Grove is at 8.4 minutes, so we model that at 8 minutes, and then when you include your neighboring agencies for the EMS area, it migrates to 9.3, which is not surprising to have a little bit of a drift, as you go farther away. But just anchor those two, and we'll talk more about this.

Dr. Knight said so, let's talk about the Fire Station locations and the Response Time capabilities, and I think that's a very good segue. So, the top graph shows that from the Central Fire Station, it's really in a great location, and for an 8-minute travel time, the GIS and the historical performance aligned really well. You're able to accomplish or get to 93.5% of all of the calls that occur within the City within 8 minutes or less from that location. So, that's really good performance for a community like yours, and its so centralized that it really is performing really well on that. So, it doesn't give a lot of flexibility around it, which we'll talk about a little bit. And then, if we include all of the EMS area agencies, you still, it's not a typo, it happened to work out to 93.5% for that as well, but that's at 9 minutes. So, again, the station that you have is really well placed for your community, and it's also serving your neighbors really well. So, two thumbs up on that location.

Mayor Bailey asked so on that one, so 8 minutes is from the time the ambulance or the fire truck goes out the station, is that correct? Dr. Knight replied yes, it's just the driving time.

Mayor Bailey asked and then are you going to get, I don't know if you're going to get to this or not, but on the previous slide, you had when the call came in, from the time the call came in, when they got into, got their gear on or whatever, and where's the; I just want to make sure I'm clear, where's the bigger opportunity, is it?

Dr. Knight replied sure. So, let me try it one more time on that one. So, if you go to the far column that says Response Time, that's the totality from the time that they called 911 until you arrive, at the 98th percentile. And it's broken out by EMS, Fire, Hazmat, Rescue, and also by each community, and you can kind of see what the Total Response Time is in that second-to-last column, on the right.

So, the reason I focus on the Dispatch and Turnout is because, and we didn't do a study on the Dispatch, so I don't know what the treatment would be to improve that; it could be process technology, staffing, who knows? But on the Turnout, that's generally something that you can improve through management practice, right, and try to trim that down a little bit. The point we're trying to make is as you look at the GIS, that's only looking at your road network and your drive time, for you to realize a 1.5-minute improvement, you might have to have one-or-two more stations in order to do that. So, you have a no cost or low cost investment to improve the citizens' overall experience without burdening the most expensive leg of the Total Response Time continuum. Did I answer it better that time?

Mayor Bailey replied you did. I just wanted to make sure that what I see up there. Council Member Olsen said and we're concerned about Dispatch. Mayor Bailey replied yes, and I've had some conversations with our County Commissioner already about what I'm hearing, not even just, for all Public Safety.

Council Member Olsen said it's been a concern for several years.

Mayor Bailey said and so, when you look at the numbers, you know I totally understand it takes some time, so to speak, to get from the station to the incident. The stuff before that is where I think we have the opportunity to try to fix things, and whether it's internal with what you were sharing or if it's something on the Dispatch side, that's what I'm looking at in this.

Dr. Knight replied yes, sir, you're right on point.

Dr. Knight said so, if we move on to looking at Station 4, it was interesting. In the analysis, Station 4's location is also a good location, right? The best way I can frame the analysis on Station 4 is that decision should've been made before you built the Central Fire Station, right? They're both nearly mirroring each other's performance, there's only about a 4% difference between the two locations. So, there's 96% duplication between Station 4 and your Central Fire Station. When you consider the fiscal costs of updating the facility, it's kind of like that ship has sailed, right? And you can see on the map all of the lighter green is what you can cover in 8 minutes from that location; all of the dark green is all of the duplication that both stations can cover that area, right? So, from an investment standpoint, if I frame that differently, let's just make up a number: Let's just say that if you staffed both stations and each station cost \$1 million to run, your first \$1 million dollars would get you 93% coverage, and your second \$1 million dollars would get you 4% coverage. So, the duplication is pretty significant. Yes, it's a good location, but your Central Fire Station is so well positioned, you really won't get great return on investment for that location. Did that make sense?

Mayor Bailey replied absolutely.

Dr. Knight said so, then we also looked at, after speaking with your Planning and Economic Development, it appeared that the most timely development is in the southwest. So, we did pick a location down there on a couple of the major cross streets, and modeled what it would look like for there. Again, your Central Fire Station is so well placed, there's going to be a fair amount of duplication, even in a future station down there, but you might place a station down there specifically in order to get across the bridge into the new development and things like that. So, there are other considerations why you might place a station; I could see in the future, one of the recommendations we have is for you all to consider looking at properties and maybe plant a flag somewhere that you can sit on and watch the development, and then you can move forward when the time is right.

We also looked at, and we'll come back to this as well, but we looked at all of the stations in the general area that we had, and we included the entire EMS area, so it wasn't just focused on Cottage Grove either, so we had all of the neighboring agencies in as well. But you can improve, if you remember the current performance for the entirety of the EMS area, which is really just St. Paul Park and the neighboring agencies, if you put a unit in St. Paul Park's station, then you would improve from 9 minutes to 8 minutes, and you would have 95% coverage overall as an entirety of the EMS area. So, Cottage Grove's footprint wouldn't change a lot, other than maybe on that west side, close to St. Paul Park, but for the most part, this is really more about serving the EMS area as a whole. So, there is an opportunity for that.

Dr. Knight said okay, so then we'll switch to Capital Replacement. We're still going to go through and clean out what resources you may not need in the future as your model changes. Because just like the distribution model we talked about with volunteers, and volunteers generally have a larger apparatus footprint on the capital side. But you can see the green line is our recommendation for the replacement schedule. So, you can see that there's some on there that need to be replaced; the tallest one they have already ordered, so that one will come off. And then we want to make sure, so, basically, we looked at a 7-year for all of the medium duty, 10-year for the light duty, and 15-year for the heavy apparatus, like fire engines, ladder trucks, etc. NFPA is pretty firm on the 15 years, unless you get an entire refurb, and that's because of the safety features that keep getting updated, and nothing should be operated after 25 years on the heavy apparatus. So, we'll come back and glean what things maybe you don't need to replace, but at least we can posit what a Capital Replacement Plan would look like.

So, then we also looked at where are the transports, specifically for EMS, where are the transports occurring, and what was the totality of the workload? You can see that we have the column of non-transports, so when it ends up not being a transport, it usually takes about 30 minutes to accomplish; when it is a transport, it's just over an hour

to accomplish, and there was 2,199 transport calls, and this is for 2024. Overall, the number of calls were 3,435, but where that lands is about a 64% transport rate; so, what that means is 64% of the time, when you went on an EMS call, you ended up taking a patient to the hospital. I can say from a national perspective, that's right in a lane that we would expect and see. What I also think is valuable for the discussion for the EMS service area is that each of the areas, there's not a lot of variability, right? It's all within 10%, plus or minus, on the transport rate. So, what that tells us is there isn't such a drift on social economics or something else that's driving a lot of calls that don't transport or not very sick or non-emergency activity. The portfolio, if you will, or the profile is really pretty consistent across the agencies with a little variation.

Now, the graph on the bottom right, I do want to point out as a compliment to the department, the top, dark blue line is all of the EMS calls, and then the lighter blue line are all the transports. What we're looking for is does it generally follow the same form and function across a 24-hour period? The gap in the middle is through the busy part of the day, so if you look at the bottom, that's midnight, 0 on the military clock, all the way through the 24; the gap in the middle is a little misleading because you're busier during that period. So, it's the same percentage of transports, it just widens the gap a little bit, visually. But what we're looking for is to make sure that because we are going to posit that the ambulance crews are a little resource constrained, right? So, what we've seen in other systems is that the crews well intended will start self-regulating, right? Which means that you might come across a patient that is a little more in the gray area about the severity, and they may choose to be available because they know another call is coming, right, rather than taking people to the hospital. The same thing with the overnight period, we want to make sure that it's not more advantageous to go back to the station or go to bed than it is to make a clinically-based decision and take someone to the hospital. So, I say that we look at those things, but the department is being very consistent, the transport rate is extremely consistent across the 24 hours, so that tells us that they're making good, consistent, clinically-based decisions, which is excellent for EMS and the clinical care.

Dr. Knight said so, let's talk about Shared Cost Recovery Allocations. So, we did review the plan that's currently in place that is at least being discussed, and we offer a few incremental changes to how that's framed as part of the discussion. So, in the current plan, the gross charge, so if you're not familiar with EMS billing, it is very unique: There are gross charges, which are largely manufactured to overcome capitated revenue structures. So, what that means is Medicare, Medicaid, contracts with insurance, insurers, etc. cap the cost that you can recover. So, the actual billables are raised so that you can get better capture for the insurance that you can get, the personal pay, etc. So, when you look at gross charges, largely that is somewhat of an erroneous value, right? So, they have something called adjusted charges that you adjust almost immediately because you know that you have a capitated cost, you have an allowable figure, so you take that off the deck almost immediately. So, I say that from the standpoint that gross charges can't be conflated with work; that's not an actual cost for your work. So, we reframe that just a little bit, but the intent about cost sharing and making sure that your citizens of Cottage Grove aren't subsidizing other areas, that resonates very well. So, we approached it and tried to frame it with a little different methodology to maybe talk through it.

So, what we looked at, and uncompensated care is something that's starting to take a lot of attention in the environment because EMS is getting more and more difficult to maintain off of revenues, right? It's usually taking some kind of subsidy, whether you're private or not. So, the uncompensated care is that portion of the care after your net charges, right? So, if you think about it, you have gross charges, you take off all your adjusted values, and then you have a net charge. What we're looking at as uncompensated care is the difference between the net charge and what you actually collected, right? So, when we modeled that and apportioned by the workload in every area, this is what we came up with: As you can see, Cottage Grove has 73% of all the activity in the EMS system, and then Newport is at 13%, St. Paul Park is at 12%, and the Township of Grey Cloud Island is at 2%. So, when you portion that data out, you can see that if you were to focus on uncompensated care, looking at it through these two lenses, right, either bad debt that you write off eventually or just the gap between the net charge and the net collection, you can see it varies a little bit. In these examples, in this scenario, it'd be about \$114,000 for Newport, \$120,000 for St. Paul Park, and \$7,000 for Grey Cloud Township. If you only looked at that debt, then that drops a little bit to \$84,000, \$89,000, and \$5,500, respectively, right? Now, I had to apportion the data because the billing information I had was aggregated; so, I apportioned it based on the proportion of their workload. The actuals could be a little bit different when you tease it out by each agency, but I think this will probably be pretty representative of what that approach

would look like. So, also, if I go back, one of the challenges with using the gross charges as well, not only does it inflate that value a little bit, but it's also going to be less in tune to any changes in the reimbursement model, right? There's potential impacts coming in 2027 from the Big, Beautiful Bill that will impact Medicare, Medicaid, and GMT dollars, and some other things that will trickle down. So, if you're using the gross charge, that's going to be a little bit blind to the nuance that may come in the future, so there might be a better strategy on that, something that's a little more nimble, I think.

And then this example of a Shared Cost Recovery Allocation uses the actual costs. So, the way we did this is we looked at what the 2025 budgeted Total Expenditures were in the EMS budget, specifically; and then we divided that by the number of hours that the ambulances were deployed, right? So, that came up to \$211.45 an hour to operate, and we calculated that on 1.5 units; the reason we approached it that way is because you basically have one ambulance staffed and functioning, and then you have your second ambulance is cross-staffed with your fire engine, right? Almost 40% of the time when you go on a call, you'll have a second or third call occur at the same time, so you're having to use that second resource a fair amount, and we'll come back to that as well. So, I used 1.5 units of their deployed hours in order to calculate that, and then when you apply your unit hour coverage to the proportion that each agency has, less the revenues in each agency, each agency's jurisdiction you can see that actually increased a little bit from the previous example to \$169,000, \$122,000, and \$31,000. So, again, probably a lot more conversation would have to occur. So, one thing about this strategy, that does have merit for the City; the values might be a little high, but what this includes, because it includes all deployed hours, is the readiness cost, right? The other strategies that you, the City of Cottage Grove, will burden all of the readiness cost if you only look at the hour that I went to that community and took them to the hospital, right? So, this strategy does encompass your kind of baked-in costs, if you will, to have the ambulances available and ready and staffed. So, that's one strategy or one benefit from this approach as others.

And then this one is really just kind of a straight line approach of whatever your budget deficit was, and it was just a little over \$400,000. So, if you apportion out whatever that budget gap is at the end of the year, then you can have a Cost Allocation across the agencies; this one might resonate a little more as being more reasonable at \$53,000, \$48,000, and \$6,000, right? So, it's just a matter, there's no right or wrong, I did include all of the different strategies because they just varied a little bit, but in other communities we've done it where we had a weighted value of 50% for the population, 50% for the number of calls, times whatever the residual unit hour is. So, there's a lot of different ways to get there, but they're all hovering around the same general lanes. So, again, there's policy discussion about what you're trying to accomplish and how you want to get from Point A to Point B, but certainly looking at whatever the residual cost has some merit as well.

Then, the consideration of an EMS District. In the report, we are going to fully develop what this would look like, what the middle would have to be, etc. in order to accomplish looking at an EMS system. But I do want to plant from a theoretical standpoint what does resonate well with creating an EMS District, as opposed to the other cost-sharing strategies, is it's generally accepted. So, if you think about it from a public good vs. a non-public good, right? Public goods generally, and public administration, are seen as an essential service of public good, and the public funds that public good. So, in this example, a tax base would fund the readiness of the system, right? How much it costs to make sure we have an ambulance, its staffed, its trained, its ready to go, and then a tax base would cover whatever those costs are. Then, when someone calls 911 and uses the system, that's no longer seen as a generalized public good, that's more personal, and they pay a user fee like they do today. So, the blend of having a public facing public good revenue source and then the user fee for non-public goods, if you will, is a pretty good strategy that in public administration is pretty well accepted. And I think if you considered an EMS District, that would serve that need pretty well and take some of this nuances of all the different cost-sharing strategies off the table and kind of make it resonate where everybody would understand it.

Council Member Garza asked how would that impact the community as far as cost? So, you know, we already have a very tight budget, you know, we're very, we want to make sure we're not increasing anything. So, if we were to do something like that, how does that look for the residents?

Dr. Knight replied I don't know yet, but the report, when we build it out, we'll know each area's tax base, and we'll be able to posit what the middle would have to look like, what it would generate, and what the personal impact per household would be. So, we'll be able to come back with that, yeah.

Council Member Garza replied but more than likely, that would increase the tax cost for the residents; it should decrease Cottage Grove's.

Mayor Bailey said right, it would decrease us. Council Member Garza said but it would increase costs for the 27% that we're covering. Mayor Bailey said yes. Council Member Garza said okay.

Administrator Levitt said just for clarification, think of Mill Levy, similar depending on which side of the river or state you're in.

Dr. Knight replied yes, thank you.

Mayor Bailey said if you think of all the dollars and cents that we're putting into the ambulance service, not even just the debt, you know?

Council Member Garza said well, I'm looking at we're servicing, one-fourth of the time, we're even out of our City, right? So, I mean, our EMS isn't really servicing our City. I mean, one-fourth of that time they're not in the City, so that's just interesting to me.

Administrator Levitt said which is important, right? Because it goes back to the readiness. Council Member Garza replied exactly. Administrator Levitt said and that readiness is extremely valuable. Council Member Garza said and then it turns us into our Response Times being the way that they are because if we're in another city, then we've got to get back and replenish and move to the next call, that just seems crazy.

Dr. Knight replied yeah, but I'm going to share that in a different light and have a good discussion next on that, yeah.

Dr. Knight said so, great segue, thank you. So, what we did is we did look at the resource allocation to meet the community demands, right? And we broke it out by Cottage Grove only, and then we were sensitive to say okay, what is it, what's the impact for all of the EMS service area and all the jurisdictions? To your point, exactly.

The way to read these graphs is all of the columns on the bottom, that's Sunday, Monday, Tuesday, Wednesday, Thursday, all the way through Saturday. So, that's all the peak of the day, you're usually two, three times busier than you are overnight, right? This follows a very predictable pattern. The blue area is your geography that you have to cover in order to be there in 8 minutes, right? Because even with the GIS, right, it's just drive time, but the GIS only works if there's an available unit there, right? So, what this does is this accounts for your time on task, it accounts for the geography that you have to cover, and it accounts for your readiness to be available in those stations the majority of the time in order to take the call when it occurs, right? So, the reason I point all that out is the lion's share of all of the activity is in Cottage Grove, and I'm going to make two points here: 1) And we'll come back to this in another slide, but your FTE count is accurate, and your unit count is accurate for your current deployment. You need two resources. 2) What hasn't and I know the Chief is working on this, what hasn't is with high fidelity, there's always two units, right? You have to have the two units available all the time, in service, in order for this to work, right? So, you have to have both units en route, and that's that red line is two units. So, you can see that you cover all of the geography and the demand and the time on task with two units in your City. Now, when I add in all the other activity in all of the other jurisdictions and not just in the EMS service area, anywhere that your crews ran calls, it still accommodates with the two units. Because you are the driver of the call volume. So, yes, you're running additional calls, whether or not you get full reimbursement, that's another part of the conversation we had, but from a resource allocation, those other areas aren't causing you to invest, right? You need two resources for yourself, and those two resources can handle the additional workload in those other areas. Does that make sense?

Council Member Garza replied yes, definitely. But that means on that second graph, because we are covering those areas, we're about to bust at the seams, we're just about to hit that threshold of our response time changing?

Dr. Knight replied yeah, eventually it will, right? Exactly, exactly. I need to get you on the payroll. So, on this one what we did is you're growing about 4.5% a year, so we projected that out, and somewhere around 4-to-5 years, you are going to tip over and need an additional resource. So, what we're recommending is you add a second dedicated ambulance, and the downstream benefit of that as well is because you now have that second dedicated ambulance, you'll reintroduce capacity on your fire suppression side. So, your fire engine is actually available at a much-higher degree with at least two people on it, right? So, that's what we're recommending, but you don't have to do it today, but we expect if you continue to grow by the same rate that you grow, which is a big assumption, somewhere around the 4-year mark, you'll have to engage. Then, also, depending on supply chain and things like

that, you might have to make that decision a couple years early, at least on the capital side, because it takes so long to get an ambulance or a resource. And then on the bottom, we did the same thing, we applied the same growth rate over the same time, which was a 25% growth, and you can see that the outside agencies still aren't the driver. If you think about it, since you're already 73-74% of the call volume, growing by 5%, that 5% growth is going to be disproportionately assigned to Cottage Grove, not those other areas, right? Because 5% of 400 calls is a lot more than 5% of 30 calls, right? So, obviously, you have to continue to monitor all that, which I know the Chief and the staff can do, but you'll just have to stay on top of that to make sure that you're planning threshold is well aligned.

Council Member Thiede said if you go back to there, now obviously we're just kind of hitting the peaks in some of those spots, and we have great relationships with our neighboring communities. So, what if we looked at like Woodbury or somebody like that or both ways, right, because we've got peaks and valleys, is there a possibility instead of having to go out and buy another ambulance yet, at that point?

Dr. Knight replied yeah, that's a great question, so let me. Council Member Thiede said we'd have to share resources with other communities. Dr. Knight replied yeah, so let me go back, that's a great, great question. So, when we looked at it, it really comes down to what your expectation for service is and what your risk tolerance is as a community. And I say that from this perspective: All of the Woodbury's, all those black ones, none of them could get here in 8 minutes, right? So, it's a matter of risk. If you're willing to say okay, for whatever percentage of the time, whether it's 10, 15, 20, whatever percentage, if you're okay with them getting here in 12 minutes or 15 minutes or whatever the scenario is, then that is a local policy choice. But from a risk-based deployment strategy, like a Standard of Cover is supposed to accomplish, is you set the standard that you want to meet, and then you design the system to meet it. So, from that perspective, St. Paul Park is the only one that could contribute, right? Other than that, everybody else was generally outside of the 8; Council Member Thiede said within the goal time. Dr. Knight said within the goal time, exactly right. So, you're right.

Council Member Thiede asked so do we categorize these as different severity levels? Because there are probably some things that are more severe than others, where it could be a situation where if it took another 4 minutes, it wouldn't be life threatening or anything.

Chief Pritchard replied once a unit is gone, its gone. So, once that unit goes to a call, like once that unit's dedicated to a call, you can't take that back, and that's what we're running into is 34% of the time, just in Cottage Grove, once that unit's dispatched, we can't take that back and then try to reprioritize that. And then, again, like 34% of the time, if its out, its out. I would caution on Woodbury, though, because I would argue that if they had a similar type of study, they're actually in a worse state than we are. So, relying on them as a partner, while we do, we do heavily rely on them for mutual aid, they're probably in a worse state than we are. So, like at some point, I think we relied on that heavily for the last probably 10-to-12 years, and I think just the ability to support each other with our increasing volumes are just, I'm very concerned about the ability for them to help us at all.

Council Member Garza asked do you believe that Woodbury's response times are significantly higher than what we're doing?

Chief Pritchard replied yeah, and there's two full things to Dr. Knight's point, of their drive time is just going to be longer no matter what, and then the second piece, are they even going to be available? So, then we have to rely on MHealth, which they do what they call static deployment. So, we don't even know where their base is half the time; we know where they kind of hang out, but then that would be double to triple, and what we've seen through some internal review, MHealth has roughly like a 20-minute to 22-minute response time in our community when they have to be called. Woodbury is probably 12-to-16 minutes for most of their response times to our calls. So, and that's just from, again, our internal review, and then the drive time, that's really what Dr. Knight seems really focused on, so.

Dr. Knight said but it's a very good question, though. If I can frame it this way, it's always a challenge when you look at the outcome side of the equation, right? I'll use a structure fire as an example: Probably only about 10% of the structure fire calls are actual fires, but if we only staffed for the 10%, we don't know when that 10% is going to occur. At the moment of dispatch, we have to have the full complement of people to go to the fire because that's what's known at the time. It's the same thing in your example: At the moment that the call comes in, the severity of the call has little bearing because we need a unit, right? Now, if they were super sophisticated and you had lots of resources in the area, you could do exactly what you said; you might go pick a BLS unit that's far away and send them into the call, but you know, you're pretty resource constrained, running a little lean, and that's difficult. But

where you can use your methodology is certainly to downgrade and go non-emergency, no lights and sirens, don't put the public at risk when you know a call is of lower severity. But you still have to engage a unit at the time. Yeah, is that fair? Council Member Thiede replied yes. Dr. Knight said okay.

Chief Pritchard said we currently have three ambulances, so in terms of capital, I think it would cover us very well for the future, so I don't want us to get ahead of that just because we do have those three ambulances, which are utilized. So, I think that is one of the reassuring parts is that we do have the private capital to meet that demand.

Dr. Knight said here's the options for current and future staffing: So, the way we looked at it, we look at all of your actual time off, and your reduction, the schedule is reduced by 153 hours to get down to the FLSA threshold, so you don't have a lot of baked-in overtime. What we did is we just built out a couple different scenarios where this sixth person, under that scenario you would have a peak-load ambulance, right? So, that's a little bit lower investment to get in, you're only buying 12 hours a day instead of the full 24 hours a day. You'd have 6 people during the day and then overnight you would operate like you do today; that would take a net 4, once you build it all out, and follow the relief multipliers. For your staffing strategies, you would need 4 additional FTEs in order to accomplish that.

If you were to do it 24 hours a day and you just had 6 people 24 hours a day, then it would bump up to 6 FTEs in order to accomplish that from where you are. So, you're in a pretty good lane, you have a little flexibility, and certainly we didn't address any of those topics tonight, but you might have a little bit of flexibility and some other strategies to relieve a little bit of dollars that might soften that a little bit in order for you to get here.

Dr. Knight said as the Chief mentioned in the intro, we did get some stakeholder information during their Open House, and then we have this workshop, and then we're going to a focus group, I believe it's Monday, at 4:00 p.m. So, we wanted to talk a little bit about, while we had you, is there any specific feedback that you're looking for or any specific questions you want us to position in order to glean what you're looking for? Or what would be most valuable to your policy discourse?

Council Member Olsen said well, we have a lot of dialogue about public feedback, and what we've learned over many years is what people say they want to do and what they're actually willing to do are often very different things. When you're talking about anything that has to do with necessary services, you know, we look at surveys and whatnot, and try to decide what the public wants, what gets high marks, etc. And, of course, our challenge as policymakers is taking those opinions and helping people understand that there's a cost to that and what that cost looks like. So, you know, as you look through the entirety of the presentation, all of those recommendations have costs, they just do, and the feedback that I guess we're going to need to glean is to what degree are people willing to pay for the service, that's what we need to figure out. It's very different if you're literally on the phone with the 911 Dispatcher and your spouse, significant other, family member is in need of the service, but then there's also going to be that group of people that are going to say, well, we already pay too much as it is, show me the charge to people who use it. I thought your point of the Taxing District was very, very well put, and trust me, we've had that conversation here. There's going to be a group of people who are going to say well, why would I do that? I already get the service the way it is, blah, blah, blah. To me, that's the fairest way to approach the whole thing, and that would alleviate some of the challenges that we currently face as far as the cost, right? And for lack of a better phrase, it's the fairest way to do things. But are people going to be open to that idea? That's a whole other conversation. So, as you approach these focus groups and things, that might be something to discuss; you know, what are you willing to pay for it, and then what are your thoughts on that Taxing District idea? That's going to be a hard sell to some of the people in the service area, who don't really pay that.

Mayor Bailey said so, my assumption is the focus group is not St. Paul Park and Newport? Or are you going to be doing something? Council Member Olsen asked oh, it's just Cottage Grove?

Chief Pritchard replied yeah, it's just us.

Mayor Bailey said so, what I would say is I think asking about this, you know, commenting and talking about the Special Taxing District because I think if you're going to show these slides, you're going to show the numbers about how much we're subsidizing our neighboring cities. So, then the question I'm sure that's going to come up, I'm just telling you, is going to be, what can we do about that? Okay, well, one of the things we can do about that is either they just outright pay us for the service, so to speak, or we could do a Special Taxing District. The other side of that

coin, and I don't know how you would ask it or how you would do it, would be are you willing to pay a little more if we just say we're not going to service those communities anymore with our ambulance service? Because that is part of the message that I'll be delivering to each of those mayors on Friday this week is that the days of getting free service from the citizens of Cottage Grove, in my personal opinion, are going to be over. And we have to come up with some agreement, however you want to do it, a Special Taxing District, or do you want to pay a portion, like we're recommending or proposing? But the numbers are the numbers, and my opinion is that our citizens shouldn't be taking the full brunt of providing these services to communities that aren't paying a dime. So, that's my take, that'll be part of my messaging at my meeting on Friday. So, I would just like to know from a citizen, because you're commenting you might be able to get to a number, what would that number be from a Special Taxing District, right? I'm assuming it's a separate line on the tax, kind of like the EDA and all that, which is fine, so they'd literally be able to see it, but I don't know if you're able to come up with this number, but what is the number? So, if we say, all right, we're going to lease out or whatever ambulance service to those other three communities, I know there's a piece of it that we're going to have to "eat," and I'm interested to know what that is. What is that number?

Dr. Knight replied yeah, it's our intention to build that out.

Mayor Bailey said thank you, that's really what I'm looking at, because I want to see, I'm going to use Justin's comment, is the juice worth the squeeze? If it's going to be just, if we're just going to have to bite our tongues when that happens with them, if they're not willing to participate, then that'll be on the Council.

Council Member Olsen said and what Chief Pritchard articulated about response times, too, is compelling.

Council Member Thiede said well, on Friday, to say what it would cost if St. Paul Park and Newport, they decide well, let's get an ambulance and do their own? They're just paying a portion of our.

Mayor Bailey said I don't know about what would end up happening, though; it's more likely that it would be significantly higher for them to do it, getting their own ambulance. However, the issue, which we shared in a couple of the meetings that we've already had with them, is that if we said we're not going there anymore, so when a 911 call goes in and they need an ambulance, it's probably coming from maybe South St. Paul, West St. Paul, Eagan? So, their response time, and you kind of mentioned it earlier, even from Woodbury to Cottage Grove, it could be 15 minutes; you're talking 20+ minutes for an ambulance to get down there. So, my comment to them and when we talked to the Newport Council and staff, they were like, whoa! They were like that's not something that we want to do, we would prefer to work with Cottage Grove. Now, St. Paul Park has had a completely opposite, at least politically, and I think Grey Cloud Township, I think they'd be fine based on the feedback I heard from them.

So, the question will be who wants to be part of it and who doesn't? We as a Council, then, will have to make a determination; do you say if 2 of the 3 communities say we're with you, we're going to work with you, and St. Paul Park says no, are you good with saying we're going to cut you out of our service area, and we'll just cut it off and give it to somebody else to manage it?

Council Member Garza asked what is their reasoning behind saying no, like specifically? Council Member Thiede replied because they can get away with it. Mayor Bailey said they can get it for free. Council Member Garza said I know that, but I'm wondering is he giving us anything specific as to why? Mayor Bailey replied it's money, it's just money. Council Member Garza asked they can't afford it, they don't have, I mean, like? Mayor Bailey replied they don't, well, I mean, even.

Administrator Levitt said there's a perception that he thinks we're making money. Mayor Bailey said yeah.

Council Member Garza said, okay, that's what I'm asking, like that's.

Administrator Levitt said there's a significant deficit in the fund, and we showed him our financial documents that are certified by the auditor. I mean, all the cities' technical staff have heard a similar presentation to this, so they've been able to be part of the data, part of the research, part of the analytics. And, so, there should be no surprise to them. The data is what the data is, and they just don't seem to believe it.

Council Member Garza said and they're countering back that that data's not true, so what about their administration? Because, okay, their mayor, maybe that's how he feels, but is the administration looking over the numbers, and they're agreeing with what he's saying, or? Mayor Bailey said no. Council Member Garza asked or are they agreeing with what we're presenting? Mayor Bailey replied no, they agree with what we're saying. Council Member Garza said so, he's really just saying no to say no. Mayor Bailey said well, that's why I said it's political. Council Member Garza said okay. Mayor Bailey said I mean, their staff; Council Member Olsen said and their administrator is new. Mayor Bailey said yeah, and he gets it, he came from a community. Council Member Garza

said yeah, and that's why I'm like numbers aren't lying, right? When you sent the numbers out, the numbers are what the numbers are, so you can't lie about those numbers, and so that's what I'm wondering, like is he not seeing the numbers? Like, what's happening there?

Council Member Olsen said well, and let's not forget that they get a significant amount of money each year in Local Government Aid and those kinds of things that they could certainly allocate.

Council Member Garza said, I was going to say, they can't get any Local Government Aid to help subsidize this?

Mayor Bailey replied they technically do already; Council Member Olsen said that's a policy decision. Mayor Bailey said like I said, it's political. Council Member Garza said okay.

Administrator Levitt said and just to be clear, I think they established their preliminary levy at like 13.2%, and so, they have the ability, based on their preliminary levy, to make contributions.

Council Member Garza said okay, thank you.

Mayor Bailey said but those were, getting back to the original comments, the two I am interested in are: What would the number be for a Special Taxing District? And this was something that we'd have to all talk about, what I'm about to say, you were commenting that from a coverage standpoint, if we were to do a Special Taxing District, an ambulance based out of St. Paul Park isn't necessarily a bad idea, as long as they're paying for it. But then the question is I'm assuming our staff is down there, so they have to have the facilities. I guess I don't know.

Chief Pritchard replied yeah, operationally, it's something we haven't explored so we'd have to do that.

Mayor Bailey said yeah, and that's all fine. I just look at long term if there is going to be this Special Taxing District, if there were, then I could go okay, I could see us doing something like that, that supports it.

Council Member Olsen said their station's pretty rudimentary, I mean, it's not.

Administrator Levitt said it would actually be Newport that probably would better serve with their new facility, for sleeping.

Mayor Bailey replied yeah, I know he just mentions it's based out of St. Paul Park, so either of the two is fine. Dr. Knight replied it just came out as a better location, but we could ask the Newport. Mayor Bailey asked could you do that, just to give us an idea?

Dr. Knight replied and we can force them into the equation. It's just running it as the efficiency, St. Paul Park was in a better location.

Council Member Olsen asked so, Jon, if we did the Special Taxing Districts, would those communities still have their own departments, or would it all be kind of under our supervision?

Chief Pritchard replied with the EMS Taxing District, so we would be the provider of the EMS services. So, we would then be the designated, like we'd be the recipient of those funds, and that's part of the legal review that we did look at; that Cottage Grove could remain that, but then there would be that Board structure, and that could help and then we'd have more decision-making capacity on how funds are spent. So, that would also be like a downstream thing to look at as well of what do we allocate EMS vs. Fire and all those sort of things, because that would become a question in which we would have to answer for that Board.

Council Member Olsen said that's really about getting that, so I appreciate you clarifying that.

Council Member Clausen said you talked about coverage going to calls in St. Paul Park, Newport, and Grey Cloud Island, you said we have the staff, we can cover it now. What my concern is, and maybe this is outside the scope of the study, but with mutual aid to Woodbury or Hastings, when you factor in the mutual aid calls out of our area, how does that factor into that with people and equipment and resources?

Dr. Knight replied as it stood in 2024, yes, all activity, regardless of where a Cottage Grove resource went, it doesn't matter whether it's EMS area, Woodbury, anywhere, we captured it in the data. So, you have sufficient staff as it stands today to handle the workload.

Chief Pritchard said and then just to clarify, that's with two units. So, if we have two medicals, we don't have a Fire unit in the City, so two units, it's done; there's no Fire coverage, we'd have to rely on mutual aid or callback. So, the current model that was tested here was those two units. So, we have to remember that, I think, just as we look at everything, and it goes back to like what level of risk do we want to accept? But we're assuming like kind of "our minimum staffing" are these two units. So, I think even within that, just recognizing, and I think that's part of the

focus group as well, what do you expect? And, so, really, when that second call comes out, it's either a Fire or EMS call, but once that occurs, it's done, and then we no longer have a unit staffing our City.

Council Member Olsen said but we have a third ambulance, I mean, if we were to staff it, then its available, right? Yeah, okay.

Mayor Bailey said and what you just shared, though, can I ask a question on that? So, the first call were going to have coverage. Dr. Knight replied correct. Second call comes in for the ambulance, then the other two in the fire station go with that second ambulance. Let's say a third call comes in, and it's a fire. Do we have anybody at the station?

Chief Pritchard replied, so, just based on, and Dr. Knight had mentioned just how our FLSA is set up, so like to get that 24-hour coverage, so we're already kind of like at a disadvantage with 156 hours. And then with time off, that's in their contract and that they get, so most of the time we're at four people, sometimes at five, so that fifth person would kind of jump in the Fire apparatus. We end up staffing Fire engines a lot; however, if we're not available or we're helping out on one of those other ones, then it would be waiting for callback people, or Woodbury, Hastings, St. Paul Park, and Newport would be called. We have it built into our Dispatch algorithm, and they would be headed down there. But I think it is just something that I just want to point out; when we say that we can cover these two calls, but then when that third call comes or whatever it may be, there's nothing there.

Council Member Olsen asked and did your data capture how often that may happen?

Dr. Knight replied yeah, it's 39% for the entirety of the area and 34% just for Cottage Grove.

Council Member Olsen asked for that third call to come in? Dr. Knight replied no, for the second call.

Council Member Olsen said okay, I was wondering about the scenario that we just discussed.

Dr. Knight replied, yeah, it's the same thing. So, once those two calls are in, there's no unit available to take that next call, but that's also what we call kind of that readiness capability.

Mayor Bailey said so your number that you just shared, so I'm clear, so 34% of the time there wouldn't be any coverage, with that callback?

Dr. Knight replied well, yes, actually.

Mayor Bailey said that's what I wanted clarity on.

Dr. Knight said when you have your first call, 34% of the time there'll be a second call in Cottage Grove before your first call will come to full fruition and go available.

Council Member Thiede asked what percentage of the time would we have a third call?

Dr. Knight replied I don't know that.

Council Member Thiede asked you don't?

Dr. Knight replied yeah. And including the outside areas, it bumps up to 39%, so they're only causing about 5% of the overlap, yeah.

Administrator Levitt said I think one of the other points we need some Council direction on or thought is looking at the island in the future, if we envision 15, 20, 25 years from now, when you look at the area of coverage, the island is your most I'll say depleted area to get to; so, that when you look at his map, he had put a dot, sort of by the Industrial Park, to service the island. So, it's not exactly where we thought the dot would go, I think in my mind, I always thought it'd be going up Kimbro, Lehigh area, but based upon the analysis of the island there.

Council Member Thiede said it'll have a much better road and probably a better bridge to go under. Mayor Bailey said well, by then, yes.

Council Member Olsen asked if you staffed a rig in St. Paul Park, what does that do for your response time to the island?

Dr. Knight replied it's not tremendous help, though. It's still difficult to get out there, at least with the road network that's available in GPS today. So, you can see there, from St. Paul Park, it doesn't really, it's certainly not in 8 minutes.

Chief Pritchard said and I can share that by experience. You know, like with the ladder truck, we have to go all the way into St. Paul Park, so that does map out in terms of, we literally drive almost right by their station when we go that way, so, that's a good, that just clicked in my mind when you said that.

Dr. Knight said so, since we're going to test the Newport station, if you'll please email me where you think, because we just picked a major crossroad to test the theory. Give me another location that you all think will be good, and I'll be happy to run it at the same time.

Council Member Garza asked so this second location you're looking at, out by the Industrial Park, up by Mississippi Dunes new construction and all that stuff area, is that what we're?

Administrator Levitt replied yeah, I would say kind of by the Real Estate Equities component, up that way.

Chief Pritchard asked and Dr. Knight, and maybe this is more just for the other folks in the room knowing development, like what timeline are we looking at, like I think to Jennifer's point, we're looking probably what, 10, 15, 20 years down the road?

Dr. Knight replied I thought from our conversation that it was at least 10 where that started moving, and the island much longer, because they have a lot of recovery and eco stuff to do, etc. in order to get that.

Chief Pritchard said but I think it's great because this is a part of that long-term planning we want to start that and so getting that.

Council Member Olsen said there's development in there, too, and that's how quickly development occurs. I mean, we've seen circumstances where something pops and it moves pretty fast.

Mayor Bailey said so, Jennifer, to that point, I'm going to bring up two comments, out that way:

1) That pie-shaped intersection that you're talking about, with Real Estate Equities, that one side that's closest to the homes, has never really been, done anything. So, if you're thinking that area, then I'd go okay, maybe that makes sense. 2) The other one would be, and I guess you'd have to look from the coverage standpoint, would you go down by where the new Public Works facility is, that direction? Because we do have some land down there that we already own. So, those would be, because other than that, I don't know where else you would.

Administrator Levitt replied and that's kind of the point, why I'm raising it is if we see that development on the island, and you think about today, what land do we want to try to pursue?

Council Member Olsen asked is the land adjacent to the SNA, is that private owned or public owned? Administrator Levitt replied there's still one more lot left.

Council Member Olsen said that's what I thought. Would that make sense? Administrator Levitt replied yes.

Mayor Bailey said we have a few things. I thought that was all sold.

Council Member Olsen said it depends on how big of a facility you need.

Administrator Levitt said and we can drop a dot on the map, but it's one of those things, we just want to be careful. The land becomes much pricier if we have a dot on it.

Mayor Bailey said well, very, very good information, very enlightening.

Council Member Olsen said we're looking forward to your report.

Mayor Bailey said perfect timing for me, I think, with my meeting set up on Friday, so I know that Jon's been providing some statistics.

Chief Pritchard said it's a team effort with all of that, so.

Administrator Levitt said I just want one clarification, I think it was a time issue; the issue for the focus group starts at 6:00 p.m. at the Central Fire Station.

Chief Pritchard said and we had 50 people R.S.V.P., so we sent it out to all of our commissions, except the Historical Advisory group; we've gotten probably one-or-two from each one, and then a couple of our nonprofit, including some Lions, Beyond the Yellow Ribbon, and even some folks from our VFW. So, it's going to be a really good group, and I'm really happy with the folks that have replied.

Council Member Thiede asked was that going to be the public? I just remembered, originally we were talking about last month having a session that would. Chief Pritchard replied that was just with them, yeah. Council Member Thiede said yeah, on the 16th, and I never got it.

Dr. Knight said okay, I'll give them your email, and they should send you a video link.

Council Member Thiede said okay, I just recalled; well, gosh, I never got this, and I had it on my calendar, so I don't know if I missed something or not.

Chief Pritchard replied oh, yeah, and we can always, if you're interested, we can see what we can do for linking up something, too, but no, this will be for that Community Focus Group.

Council Member Olsen said good enough, thanks, and Mayor Bailey said thank you, appreciate it, thanks for the info.

14. WORKSHOPS - CLOSED TO PUBLIC - None.

15. ADJOURNMENT

Motion by Council Member Olsen, second by Council Member Thiede, to adjourn the meeting at 9:27 p.m.

Motion carried: 5-0.

Minutes prepared by Judy Graf and reviewed by Tamara Anderson, City Clerk.



City Council Action Request

7.B.

Meeting Date	11/19/2025		
Department	Parks and Recreation		
Agenda Category	Action Item		
Title	Parks, Recreation and Natural Resources Commission Meeting Minutes (2025-09-08)		
Staff Recommendation	Approve the September 8, 2025, Parks, Recreation, and Natural Resources Regular Meeting Minutes.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>September Minutes</td></tr></table>	1.	September Minutes
1.	September Minutes		



Minutes

City of Cottage Grove

Parks, Recreation and Natural Resources Commission Meeting

September 8, 2025

Pursuant to due call and notice thereof, a Cottage Grove Parks, Recreation and Natural Resources Commission Meeting was held on September 8, 2025.

I. CALL TO ORDER & READING OF MISSION & Pledge of Allegiance

Meeting called to order at 7:00pm at City Hall

II. Roll Call

Members Present: Susannah Brown, Kelly Glasford, Adam Larson, David Olson, Debra Gustafson, Justin Waterman, Shane Waterman.

Members Absent: Samantha Crabtree

Others Present: Zac Dockter Parks & Recreation Director, Dave Clausen Council Liaison.

Approval of Agenda

A motion was made by my Commissioner Brown to add the 3M Priority II Letter of Recommendation to agenda. Commissioner Olson seconded. Agenda approved.

III. Approval of Minutes

A motion to approve minutes from June 9, 2025. Motion made by Commissioner Gustafson & seconded by Commissioner Glasford. Minutes approved.

IV. Open Forum-None

V. Presentations-None

VI. Action Items

a. 2026-2030 Capital Improvement Plan

- i. Every year, typically around fall, we start our 5-year CIP planning process as we lay out all of our capital expenditures of \$15,000 or more. There are several funds that we use including The Park Improvement Fund, The Park Trust Fund, & The Public Landscapes Initiative, amongst others. The Ice Areana has its own

fund, & River Oaks has its own CIP that is not included in this packet. Zac explained the breakdown of each fund, how they work, and looking for feedback and support from the Commission before it is brought to Council. Commissioner Olson inquired about the prioritization of keeping all of our parks up to date. Zac stated that we try to keep a minimum standard for all of our park systems and that is why the Park Improvement fund is a tremendous resource. Motion to approve 2026-2030 Capital Improvement Plan made by Commissioner Olson. Seconded by Commissioner Brown. Motioned carried.

b. East Ravine Park Plan Review

- i. Development anticipation is increasing for the land East of County Road 19. There are some preliminary concepts from developers working with landowners, but there have not been any preliminary plats that have been made. Zac emphasized that nothing is on the table currently and this is all just concept work. This gives us an opportunity to compare potential concept plans to what our master plan is. There is a lot of land dedicated to park space, but there is not enough park dedication funds to cover it all, so we have to start managing how that will work, and whether we have to obtain cash for land. This does not have to be city cash, we can work with the state, public land trust, & federal funds to acquire money. During review we changed the location of the East Ravine Community Park. Originally, it was going to run along the East side of land along the lake. After talking with future developers and landowners, it was decided that it made more sense to run the East Ravine collector road towards the middle of the property which caused us to shift the proposed community park. Even with this change it will still have the same recreational elements. There is also a future water tower that will be located East of County Road 19 South of 70th Street that we would like to make a small neighborhood park similar to Meadow Grass, utilizing the land that will be dedicated to the water tower. Commissioner Larson inquired if there would be any cell phone towers at that water tower as that area is dead zone. Zac anticipated yes. Commissioner Larson also commented that the plan seemed very busy and cramped. Zac explained that similar to how Glacial Valley was developed, we typically start planning with the maxed scale, and scale it down as development begins. Commissioner Brown liked the fact that we maintained the natural area that is separate from

the recreational activities for those seeking different recreational experiences, along with access to a launch area for watercraft. Zac anticipates that this will be a preserve and may be a natural hiking trail depending on how funding works. Commissioner Gustafson asked about the RC car group and if we ever heard back from them about their interest. Zac said that they seemed to have disappeared as they have not expressed further interest. Commissioner Gustafson also asked if we have a space in town where people are allowed to use drones. Zac was not aware of city code regarding drone usage as we do not have a location where use is allowed, however, people do go to the parks to use drones. Commissioner Gustafson asked about fishing in the lake. Zac stated that currently there is no public access to the lake, but we anticipate that fish are located in the lake. Commissioner Olson asked about development East of the map, and Zac stated that at this time we are not aware of development. Development will be starting at Indian Blvd & working towards the North & South. No formal action needed tonight.

c. Lamar Park Cell Tower Lease

- i. Verizon representatives have made a request to put a cell tower in Lamar Park. We looked into areas in Lamar Park that are not being used activity. There is area on the Northwest side of the park by a grove of trees that is overgrown, the ground has eroded and has no habitat value that would be a good location. Staff wise we are supportive of doing this as this is revenue that goes back into the Park Improvement Fund. We are trying to push the image shown North into the wooded area, remove the woods, and plant landscaping and beautify the area to improve the site. There are some variances that Verizon would need to obtain for setbacks but shouldn't be an issue. Commissioner S. Waterman asked if the revenue is in the form of a land sale or a long-term lease. Zac stated it is in the form of a long-term lease which is typically 20-25 years. Commissioner Gustafson asked approximately how much revenue this will generate annually. Zac stated on average it's about \$40,000. Commissioner Olson asked the distance this would be in relation to the ball fields. Zac stated it will be about 40 yards away from the ball fields and will not impact them. Commissioner Olson supports trying to keep the tower in that proposed footprint and as deep into the woods as possible to not impact the fields. Commissioner S. Waterman motioned to approve the concept plan

for the Verizon cell tower. Commissioner Olson seconded. Motioned carried.

d. 3M Priority II Letter of Recommendation

- i. We have not met since the Commission approved the letter of intent to apply for the 3M settlement funding. We have qualified for the next round of funding, & it is believed there are about 80 applicants still in the pool for the \$22 million. We are getting our packet ready for our \$5 million request for Mississippi Dunes Park. We need to start working on getting our letters of support from Washington County, South Washington Watershed District, Friends of the Mississippi, Public Land Trust, & the Commission. Looking for approval of letter to include in our request. Commissioner Larson asked when the award would be given out. Zac stated the deadline for the application is October 5th and the winners will be announced in February. You would be allowed to start spending the money late 2026 and have 3 years to use the funds. This would not change the date in our CIP for Mississippi Dunes Park, which it should be noted we also did set money aside for. Zac also mentioned that after the letter of intent is received, they send back a list of recommendations for the application. They recommend removing the playground, reflecting pool, building, grand lawn, & weeping wall. We are now starting to prioritize access into the park & a parking lot, trail infrastructure, picnic shelter, outdoor classrooms, and finishing off the landscaping. Commissioner Brown asked if the boat launch & fishing pier is still high priority. Zac stated that the road to the boat launch & the parking is part of the application. Funds for the boat launch itself and fishing pier will come from the Minnesota DNR Fisheries. Commissioner Olson asked if a letter was needed from the Washington County Parks Commission. Zac stated he will talk to the county Parks & Recreation Director & follow up. Commissioner Gustafson motioned to approve the letter of recommendation for the 3M grant. Commissioner Glasford seconded. Motion carried.

VII. Presentation of Information-None

VIII. Action Updates

a. Denzer Park

- i. Currently on hold while we prioritize funding on building out parks. We put up a retaining wall for the elevated picnic shelter. We will continue work either next year or the following based on housing development in the area.

b. Granada Park Parking

- i. Completed internally by Streets & Parks & seems to be working well with no complaints from the resident who requested this.

c. CG Trailway Corridor Restoration

- i. Hit a little bit of a snag being unable to burn the piles of trees that we removed over the winter, which has been a source of frustration for many. We did complete our Arbor Day planting in the area, though unfortunately, some of them did not survive, but we will re plant as necessary. First prairie seeding went in about a month ago. We should complete the timber burning this winter, so we can complete this habitat restoration.

d. Oltman Park

- i. First two fields are completely graded out, the third field might even be done this week, & the drain tile & irrigation have been installed. They are projected to be done at the end of October and get the turf in and germinated followed by a full year of rest. The natural timber playground that will be put in this November, and the picnic shelter bid has been awarded as well and should be installed later this fall.

e. Mississippi Dunes Park

- i. No real changes as we have previously discussed this already this evening beside trying to get the fishing pier in as soon as possible. Our biggest challenge is meeting ADA compliance with the pier being so much lower in elevation to the temporary parking lot.

f. Kingston Park Building

- i. Currently still on hold. We will probably revisit this at the next strategic planning session.

g. Peterson Park

- i. This is lakefront property near Shepard's Farm off 70th & Jamaica. The trail has been cut in; however, we do not own all of the land yet. Commissioner Brown asked if this will be connected to the trails that go through the Shepard's Farm property or will they be separate. Zac stated that in the Southwest corner there will be small connection onto a natural trail.

h. Still Ponds Park

- i. When we were onsite for our tour we talked about potential removal of the red pine plantation from the previous landowner. We received a letter of recommendation from the Washington County Conservation District as well as the DNR forestry. They recommended, due to the forest being quite degraded, that a

substantial number of trees need to be removed. Not looking for any recommendations this evening from the Commission but did not want this to come as a surprise when we ask for this plantation to be taken down in the future. Commissioner Olson asked what this area would be after we restore it. Zac stated it would most likely be a wetland and prairie restoration area.

IX. Donation and Acknowledgements

- a. Memorial Bench installed at Hamlet Park that was donated by a resident from Norris Square in commemoration of her husband. While we were completing the installation, we installed 6 more pads for future memorial benches.
- b. Memorial Bench installed at Highlands Park basketball court in memorial of Jim Bus who was a long-time dedicated member of the community.

X. Staff Reports & Educational Materials

a. Minnesota's Untamed Dividend

- i. Full article available online for those who are interested.

XI. Commission Comments-None

XII. Council Comments

- a. Hearthside Park sports lighting ran into a little glitch. They found some bedrock near the top that they need to figure out how to drill through or put in a different pad, so they are running a little bit behind.
- b. Approved replanting 155 boulevard trees that were taken down during the storm last year. We are looking to start planting this fall.

XIII. Adjournment- Motioned by Commissioner J. Waterman

Seconded by Commissioner S Waterman. Meeting Adjourned at 7:41pm



City Council Action Request

7.C.

Meeting Date	11/19/2025		
Department	Community Development		
Agenda Category	Action Item		
Title	Advisory Committee on Historic Preservation Meeting Minutes (2025-06-10)		
Staff Recommendation	Accept and place on file the minutes from the June 10, 2025, meeting of the Advisory Committee on Historic Preservation.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>ACHP Minutes 2025-06-10</td></tr></table>	1.	ACHP Minutes 2025-06-10
1.	ACHP Minutes 2025-06-10		



MINUTES
CITY OF COTTAGE GROVE
ADVISORY COMMITTEE ON HISTORIC PRESERVATION
June 10, 2025

Pursuant to due call and notice thereof, a meeting of the Advisory Committee on Historic Preservation was duly held at the Cottage Grove City Hall, 12800 Ravine Parkway South, Cottage Grove, Minnesota, on the 10th day of June 2025.

CALL TO ORDER

Acting Chair Grundhauser called the meeting to order at 6:00 p.m.

ROLL CALL

MEMBERS PRESENT: Jacob Grundhauser (Acting Chair), Marie Sumstine, Cindy Yff, Tony Brinkman, Linda Johnston (Arrived Post Roll Call)

MEMBERS ABSENT: Joseph Gall, Herb Reckinger

OTHERS PRESENT: Max Erickson, Planner; Emily Schmitz, Community Development Director; David Olson, Liaison from Parks, Recreation and Natural Resources Commission

APPROVAL OF THE AGENDA

Motion made by Marie Sumstine to approve the Agenda with no changes. Grundhauser seconded. The motion passed unanimously 4-to-0.

APPROVAL OF MINUTES

Motion made by Cindy Yff to approve the Agenda with no changes. Sumstine seconded. The motion passed unanimously 4-to-0.

OPEN FORUM

No one spoke.

ACTION ITEMS

Cardenio Severance (Cedarhurst) Mansion CUP Proposal by Bellagala

JJ Maleitzke from Bellagala and Lawrence Black from AWH Architects were present. Maleitzke started the presentation describing what the project will entail and what the ultimate use for the mansion will be. Maleitzke expressed the desire to renovate the mansion with original as possible

architecture while also modernizing when possible. Black continued the presentation highlighting all of the changes and renovations to be made to the structure and site. Black went into detail regarding the processes for rehabilitation and gave reasons why certain items will be changed. The examples he included were the front porch to be replaced with original brick and completely redone. Black explained that this feature was collecting water and contributing to rotting of the front façade. Black went into detail regarding the rose garden and the new addition to be implemented off it. Black went into detail of how each area of the site and mansion would be utilized. It was proposed that the mansion should be used primarily for the ceremony and wedding prep for the day. The garden will be utilized as an outdoor gathering space, and the new addition will be where most activities would take place. It was further explained that it was the desire of Bellagala to keep all internal features as close to original as possible while also following the Secretary of the Interior standards.

Black and Maleitzke discussed the status of the outbuildings. It was explained that work would be done to preserve significant structures and these resources would be fully utilized if possible. Black and Maleitzke made it clear that these would not be a primary focus for the first phase of this project and that all efforts will be to rehabilitate the mansion first in time for the wedding season of 2026.

During and after the presentation, the committee members shared their comments and questions:

Sumstine shared a concern for the reuse regarding the bathtub located on the second floor, which she explained was utilized by President Roosevelt. Maleitzke assured that all significant features were to be preserved whether they will be utilized or not. Maleitzke indicated this feature will likely be unused but put on display.

Johnston asked whether bathrooms on the second floor would be open for guests to use. Black indicated that the existing pantry will be renovated to include bathrooms for guests to use. It was also indicated that the existing elevator would be replaced with a non-passenger lift.

Brinkman asked what the east patio restoration work would look like. Black explained that the use of old photos of the Mansion indicates a different brick pattern, and they would be working off the original design from most old photos of the site. Brinkman followed up with a question regarding what the new addition will look like in regard to the existing structure. Black highlighted what the entire building will look like from rendered images.

Brinkman asked the applicants to touch on the other buildings onsite and their plan. Black indicated that the barn has collapsed and is not replaceable. The garage is in good shape and will be preserved. The upholstery shop was found to be non-contributing and will likely be removed in time. Black reiterated that work on the outbuildings will occur after updates to the mansion are completed.

Sumstine asked whether the stable was going to be preserved. Maleitzke said that the stable will be used for the venue and will be preserved.

Brinkman asked about the valet station. Maleitzke stated that the valet station will remain as such but may be slightly relocated due to the expansion of the driveway for public safety vehicles.

Grundhauser inquired about the number of occupants expected for the venue to accommodate. Maleitzke stated that 250 is the desired occupancy.

The motion to recommend approval to council was made by Cindy Yff and was seconded by Marie Sumstine. The motion passed unanimously 5-0.

DISCUSSION ITEMS

Historic Context Study Project Update (CLG Grant (New History))

Erickson stated that New History has completed the report that had been submitted to SHPO in May 2025. This discussion is to provide possible direction for a path forward. Erickson then turned the conversation over to Lauren Anderson, the consultant from New History, to provide comments and discussion for the topic.

Anderson walked through the context study, including what was done in conclusion of the study. Lauren asked if there were any committee comments on the study. No comments were made.

Anderson asked the ACHP what their thoughts are on the overall process for the context study.

Grundhauser appreciated the engagement of the status and updates throughout the process. Brinkman asked if this was going to be available to the public. Staff indicated that the report will be posted to the public.

Brinkman asked if there was any additional study that was needed prior to 1945. Anderson indicated that Cottage Grove did a great job with a study that was conducted in the 1980s and 1990s. This study looked at the items that are older and we could revisit the context study to maybe revamp.

Anderson covered next steps in the preservation planning process. She indicated that the steps would be the archeological survey. CLG cities are required to do these processes to remain certified. It was indicated that Cottage Grove could conduct a phase 1 survey and a phase 2 survey. Anderson indicated that a phase 1 survey is the equivalent of a windshield survey, which is described as driving around to find buildings to include. Anderson also described the intensive level survey (phase 2), which is the in depth look at those buildings. Depending on the extent of the survey, they can be a part of the same process.

These processes will need to be filed under an inventory form and posted on their online database of historic properties. The end outcome is a list of properties that are eligible to be registered on the state or local registry. It was asked what the feasibility of the survey is at this time. Anderson indicated that it will be unlikely to survey the entire city in one go. Minneapolis did one for 25 buildings for \$65,000. She suggested that the city should target areas that are eligible starting with pre-1976 buildings and areas that are likely to be redeveloped.

Staff have and the committee considered two options. Option 1 can be a phase 1/2 study to look at parks, churches, and schools in Cottage Grove (\$25,000). Option 2 could be a phase 2 survey of the first addition of Thompson's Grove, which were 60 houses in constructed from 1958-1960, which was the heart of Cottage Grove suburban development.

Johnston asked if there would be an impact on homeowners for this survey as this covers the affordable housing in the city. Anderson indicated that they would not be affected unless the properties were put into the local register.

Grundhauser asked if the historic district would need to follow state standards. Staff indicated that it would follow local standards. Anderson distinguished two designations: Local and National. National will not prevent modifications to the property.

Sumstine commented that we shouldn't shy away from option 2 because they are affordable housing as the interest of preserving history isn't exclusive to wealthy households. Johnston clarified that they don't want to designate the area that would prevent improvements.

Grundhauser inquired about grant deadlines for this process. Anderson indicated that the CLG Grant Program has an application deadline of early 2026. The Legacy Grant Program has a large grant through the MNHS.

A motion to accept the concept study was made by Cindy Yff and seconded by Marie Sumstine. Motion passed 5-0.

PROJECT UPDATES – VERBAL UPDATES

Historical Markers – MNHS Grant Submittal

Erickson stated that staff have received the plaques and that they are ready to install in coordination with Public Works and Parks Departments in the designated locations identified by the Committee.

Historic Priority Letters

Staff indicated that the letters were sent out, and we have not received any contact in return.

HISTORIC INQUIRIES, ARTICLES, AND RESEARCH INFORMATION

There were none.

COUNCIL LIASON COMMENTS

Theide made a comment regarding Strawberry Fest. He also commented that an 80th Street farmhouse was being moved on a house trailer to another location on 110th Street.

COMMITTEE COMMENTS

Brinkman asked whether the Ross house will be documented historically prior to redevelopment. Committee members inquired about whether we can preserve/visit the site.

STAFF COMMENTS

There were none.

ADJOURNMENT

Meeting was adjourned at 7:17 PM.



City Council Action Request

7.D.

Meeting Date	11/19/2025		
Department	Administration		
Agenda Category	Action Item		
Title	HERO Center Response Letter - Fredrickson		
Staff Recommendation	Receive the response letter to the open forum question on November 5, 2025.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>HERO Response Letter (Diane Fredrickson)</td></tr></table>	1.	HERO Response Letter (Diane Fredrickson)
1.	HERO Response Letter (Diane Fredrickson)		

November 6, 2025

Diane Fredrickson
8291 River Acres Road
Cottage Grove, MN 55016

Mrs. Fredrickson,

You raised questions about the use of the HERO Center by US Immigration and Customs Enforcement (ICE) and are requesting that the HERO Center stop renting space to ICE.

The HERO Center was funded in part by a \$9.5 million grant ("Grant") from the Minnesota Department of Public Safety. The City of Cottage Grove entered into a General Obligation Bonds Grant Agreement – Construction Grant, effective May 30, 2018 ("Grant Agreement").

The Grant Agreement contains strict obligations and requirements:

1. The HERO Center must be used for the operation of Governmental Programs. A "Governmental Program" is one that meets the training and skills development needs of municipal law enforcement and emergency responder agencies, the regional medical community and state university partners for pre-employment, continuing education and various in-service trainings.¹
2. The City of Cottage Grove covenants, represents and warrants that it will operate, maintain, and manage the HERO Center in compliance with all applicable laws, statutes, rules, ordinances, and regulations issued by any *federal*, state or local political subdivisions having jurisdiction over the facility.²
3. Annually, the City of Cottage Grove must submit a notarized statement to the Commissioner of Minnesota Management and Budget ("MMB") stating that the HERO Center is being used for the purposes for which it was authorized.³

Failure to comply with any provision of the Grant Agreement is considered an event of default, and unless the default is cured, the Commissioner of MMB may demand full repayment of the Grant.⁴

¹ See Section 1.01, Section 2.04, and Recital C for the definition of "Governmental Program." In addition, the use of the word "municipal" is not intended to be defined as solely city related. The word *municipal* means "of or relating to the internal affairs of a major political unit (such as a nation)." *In Merriam-Webster.com dictionary. Retrieved 7-17-25 from <https://www.merriam-webster.com/dictionary/municipal>.* Other non-city government agencies have used the facility, such as County Sheriff Departments, Minnesota State Patrol, the DNR and other State agencies, which supports that the facility was intended to be used for any public law enforcement training.

² Section 2.05 N, emphasis added

³ Section 2.04

⁴ Section 2.08 B

Since opening its doors, the HERO Center has rented portions of its facility to many federal agencies, including the US Inspector General, several divisions of the US Department of Treasury, the Department of Justice (DOJ), the Federal Bureau of Investigations (FBI), the National Park Service, and ICE, in order for those agencies to conduct their own trainings at the HERO Center's state of the art facility. That is one of the purposes for which the HERO Center was constructed – *to provide training and skills development for law enforcement.*

Beginning in 2025, the Secretaries of various federal agencies sent letters to cities who have received federal funding, including the City of Cottage Grove, stating that federal funding recipients are obligated to "comply fully with all applicable federal laws and regulations. These laws and regulations include the United States Constitution, federal statutes, applicable rules, and public policy requirements, including, among others, those protecting free speech and religious liberty and those prohibiting discrimination and enforcing controls on illegal immigration." The letter sent to Cottage Grove from Sean Duffy, Secretary of DOT, states that the ramifications and penalties for not complying with federal authorities include civil and criminal liability, jeopardizing continued receipt of federal funding, and the recovery of grant funds already expended. In recent years, the City of Cottage Grove has received federal grants for transportation projects, police and fire positions and electric charging stations, just to name of few, totaling nearly \$10 million.

Failure to comply with the federal government will risk the City of Cottage Grove's current grants, as well as future grants. Not renting the facility to ICE could be construed as "failing to comply." These letters cannot be ignored as they have serious implications to the Cottage Grove and Woodbury's city budgets. If the federal grants are cancelled or rescinded prior to disbursement or worse, after disbursement and construction, and reimbursement is demanded, the cities will have few alternatives to pay for projects that were earmarked or paid with those federal funds.

To be clear, "compliance" does not mean that local government must carry out federal laws. In fact, States and local governments have limited authority to regulate or enforce federal immigration laws. *Compliance* means not impeding ICE and other federal offices of DHS, not adopting policies or ordinances counter to federal immigration laws and not interfering with enforcement of federal immigration law.

The HERO Center adopted a Financial Management Policy to find sources of revenue that fit within the purposes of the HERO Center. Federal and local agencies that conduct law enforcement training fit within the purpose and intent of the HERO Center's mission. To deny one federal agency's ability to rent the HERO Center for a use that squarely fits within the mission of the facility, and specifically to deny an agency that has been identified by the federal government as an agency that local governments cannot impede or hinder, could have dire consequences for federal grants, as well as for the HERO Center's source of local funding, the \$9.5 million Grant.

We empathize with your concerns. However, the City of Cottage Grove will not restrict rental opportunities at the HERO Center for any federal law enforcement agency. We do value your insights and recommendations, and we hope to continue dialogue as our community navigates the issues surrounding immigration enforcement. Your community spirit and advocacy are greatly appreciated.

Cottage Grove Police Department policy mandates that all members make personal and professional commitments to equal enforcement of the law and equal service to the public.

Confidence in this commitment is essential to protect and serve the entire community and recognize the dignity of all persons, regardless of their national origin or immigration status.

Per policy and in compliance with Minnesota's statutes, officers will not detain any individual for a civil violation of federal immigration laws or a related civil warrant. No individual will be held based solely on a federal immigration detainer unless the person has been charged with a federal crime or the detainer is accompanied by a warrant, affidavit of probable cause, or removal order. Additionally, officers will not notify federal immigration officials when booking arrestees at a county jail facility. Lastly, the Cottage Grove Police Department is not deliberately targeting immigration violations, nor is the department participating in federal immigration enforcement operations. If requested by a federal agency, officers will limit their involvement to support services such as traffic control or peacekeeping efforts.

Thank you for expressing your concerns allowing the Department and City an opportunity to reflect upon our practices so we may continue to serve our community with excellence.

Respectfully,



Brad Petersen
Deputy Director of Public Safety



City Council Action Request

7.E.

Meeting Date	11/19/2025		
Department	Administration		
Agenda Category	Action Item		
Title	HERO Center Response Letter - Tannehill		
Staff Recommendation	Receive the response letter to the open forum question on November 5, 2025.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>HERO Response Letter (Bobbi Tannehill)</td></tr></table>	1.	HERO Response Letter (Bobbi Tannehill)
1.	HERO Response Letter (Bobbi Tannehill)		

November 6, 2025

Bobbi Tannehill
8215 Ingberg Trail So
Cottage Grove, MN 55016

Mrs. Tannehil,

You raised questions about the use of the HERO Center by US Immigration and Customs Enforcement (ICE) and are requesting that the HERO Center stop renting space to ICE.

The HERO Center was funded in part by a \$9.5 million grant ("Grant") from the Minnesota Department of Public Safety. The City of Cottage Grove entered into a General Obligation Bonds Grant Agreement – Construction Grant, effective May 30, 2018 ("Grant Agreement").

The Grant Agreement contains strict obligations and requirements:

1. The HERO Center must be used for the operation of Governmental Programs. A "Governmental Program" is one that meets the training and skills development needs of municipal law enforcement and emergency responder agencies, the regional medical community and state university partners for pre-employment, continuing education and various in-service trainings.¹
2. The City of Cottage Grove covenants, represents and warrants that it will operate, maintain, and manage the HERO Center in compliance with all applicable laws, statutes, rules, ordinances, and regulations issued by any *federal*, state or local political subdivisions having jurisdiction over the facility.²
3. Annually, the City of Cottage Grove must submit a notarized statement to the Commissioner of Minnesota Management and Budget ("MMB") stating that the HERO Center is being used for the purposes for which it was authorized.³

Failure to comply with any provision of the Grant Agreement is considered an event of default, and unless the default is cured, the Commissioner of MMB may demand full repayment of the Grant.⁴

¹ See Section 1.01, Section 2.04, and Recital C for the definition of "Governmental Program." In addition, the use of the word "municipal" is not intended to be defined as solely city related. The word *municipal* means "of or relating to the internal affairs of a major political unit (such as a nation)." *In Merriam-Webster.com dictionary. Retrieved 7-17-25 from <https://www.merriam-webster.com/dictionary/municipal>.* Other non-city government agencies have used the facility, such as County Sheriff Departments, Minnesota State Patrol, the DNR and other State agencies, which supports that the facility was intended to be used for any public law enforcement training.

² Section 2.05 N, emphasis added

³ Section 2.04

⁴ Section 2.08 B

Since opening its doors, the HERO Center has rented portions of its facility to many federal agencies, including the US Inspector General, several divisions of the US Department of Treasury, the Department of Justice (DOJ), the Federal Bureau of Investigations (FBI), the National Park Service, and ICE, in order for those agencies to conduct their own trainings at the HERO Center's state of the art facility. That is one of the purposes for which the HERO Center was constructed – *to provide training and skills development for law enforcement.*

Beginning in 2025, the Secretaries of various federal agencies sent letters to cities who have received federal funding, including the City of Cottage Grove, stating that federal funding recipients are obligated to “comply fully with all applicable federal laws and regulations. These laws and regulations include the United States Constitution, federal statutes, applicable rules, and public policy requirements, including, among others, those protecting free speech and religious liberty and those prohibiting discrimination and enforcing controls on illegal immigration.” The letter sent to Cottage Grove from Sean Duffy, Secretary of DOT, states that the ramifications and penalties for not complying with federal authorities include civil and criminal liability, jeopardizing continued receipt of federal funding, and the recovery of grant funds already expended. In recent years, the City of Cottage Grove has received federal grants for transportation projects, police and fire positions and electric charging stations, just to name of few, totaling nearly \$10 million.

Failure to comply with the federal government will risk the City of Cottage Grove's current grants, as well as future grants. Not renting the facility to ICE could be construed as “failing to comply.” These letters cannot be ignored as they have serious implications to the Cottage Grove and Woodbury's city budgets. If the federal grants are cancelled or rescinded prior to disbursement or worse, after disbursement and construction, and reimbursement is demanded, the cities will have few alternatives to pay for projects that were earmarked or paid with those federal funds.

To be clear, “compliance” does not mean that local government must carry out federal laws. In fact, States and local governments have limited authority to regulate or enforce federal immigration laws. *Compliance* means not impeding ICE and other federal offices of DHS, not adopting policies or ordinances counter to federal immigration laws and not interfering with enforcement of federal immigration law.

The HERO Center adopted a Financial Management Policy to find sources of revenue that fit within the purposes of the HERO Center. Federal and local agencies that conduct law enforcement training fit within the purpose and intent of the HERO Center's mission. To deny one federal agency's ability to rent the HERO Center for a use that squarely fits within the mission of the facility, and specifically to deny an agency that has been identified by the federal government as an agency that local governments cannot impede or hinder, could have dire consequences for federal grants, as well as for the HERO Center's source of local funding, the \$9.5 million Grant.

We empathize with your concerns. However, the City of Cottage Grove will not restrict rental opportunities at the HERO Center for any federal law enforcement agency. We do value your insights and recommendations, and we hope to continue dialogue as our community navigates the issues surrounding immigration enforcement. Your community spirit and advocacy are greatly appreciated.

Cottage Grove Police Department policy mandates that all members make personal and professional commitments to equal enforcement of the law and equal service to the public.

Confidence in this commitment is essential to protect and serve the entire community and recognize the dignity of all persons, regardless of their national origin or immigration status.

Per policy and in compliance with Minnesota's statutes, officers will not detain any individual for a civil violation of federal immigration laws or a related civil warrant. No individual will be held based solely on a federal immigration detainer unless the person has been charged with a federal crime or the detainer is accompanied by a warrant, affidavit of probable cause, or removal order. Additionally, officers will not notify federal immigration officials when booking arrestees at a county jail facility. Lastly, the Cottage Grove Police Department is not deliberately targeting immigration violations, nor is the department participating in federal immigration enforcement operations. If requested by a federal agency, officers will limit their involvement to support services such as traffic control or peacekeeping efforts.

Thank you for expressing your concerns allowing the Department and City an opportunity to reflect upon our practices so we may continue to serve our community with excellence.

Respectfully,



Brad Petersen
Deputy Director of Public Safety



City Council Action Request

7.F.

Meeting Date	11/19/2025		
Department	Administration		
Agenda Category	Action Item		
Title	Final Environmental Impact Statement Response Letters		
Staff Recommendation	Receive the response letters to the open forum questions on November 5, 2025, regarding Nelson Backwaters Final Environmental Impact Statement.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>2025-11-5 Council Open Forum FEIS Responses</td></tr></table>	1.	2025-11-5 Council Open Forum FEIS Responses
1.	2025-11-5 Council Open Forum FEIS Responses		

November 14, 2025

Sandy Caturia
8077 River Acres Road
Cottage Grove, MN 55016

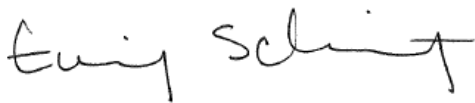
Ms. Caturia,

Thank you for taking the time to address the City Council at their November 5, 2025, meeting to express your concerns regarding the Nelson Backwaters Final Environmental Impact Statement adequacy determination.

As required by State Statute, all comments received as part of the DEIS and responses to those comments are included in the FEIS. Given the purpose of an EIS is to outline the potential impacts or issues associated with the scope of a proposed project, additional evaluation is required prior to the permitting of a project including but not limited to evaluation of noise and light impact.

In addition, prior to the City's review of a mining permit to expand operations into the backwaters as proposed in the scope of the FEIS, the city will require permit approval from required agencies including but not limited to the DNR and the Army Corp of Engineers. The action of the Cottage Grove City Council on the FEIS does not permit the expansion of the mining area.

Sincerely,



Emily Schmitz
Community Development Director

November 14, 2025

Sue Chamberlain
8151 River Acres Road
Cottage Grove, MN 55016

Ms. Chamberlain,

Thank you for taking the time to address the City Council at their November 5, 2025, meeting to express your concerns regarding the Nelson Backwaters Final Environmental Impact Statement adequacy determination.

As required by State Statute, all comments received as part of the DEIS and responses to those comments are included in the FEIS. Given the purpose of an EIS is to outline the potential impacts or issues associated with the scope of a proposed project, additional evaluation is required prior to the permitting of a project including the details of additional infrastructure required for the operations, noise impacts, etc.

In addition, prior to the City's review of a mining permit to expand operations into the backwaters as proposed in the scope of the FEIS, the city will require permit approval from required agencies including but not limited to the DNR and the Army Corp of Engineers. The action of the Cottage Grove City Council on the FEIS does not permit the expansion of the mining area.

Sincerely,



Emily Schmitz
Community Development Director

November 14, 2025

Whitney Clark
Friends of the Mississippi River
106 W. Waters Street Ste. 600
St. Paul, MN 55107

Mr. Clark,

Thank you for taking the time to address the City Council at their November 5, 2025, meeting to express your concerns regarding the Nelson Backwaters Final Environmental Impact Statement adequacy determination.

As required by State Statute, all comments received as part of the DEIS and responses to those comments are included in the FEIS. Given the purpose of an EIS is to outline the potential impacts or issues associated with the scope of a proposed project, additional evaluation is required prior to the permitting of a project

In addition, prior to the City's review of a mining permit to expand operations into the backwaters as proposed in the scope of the FEIS, the city will require permit approval from required agencies including but not limited to the DNR and the Army Corp of Engineers. The action of the Cottage Grove City Council on the FEIS does not permit the expansion of the mining area.

Sincerely,



Emily Schmitz
Community Development Director

November 14, 2025

Tom Drude
8005 River Acres Road
Cottage Grove, MN 55016

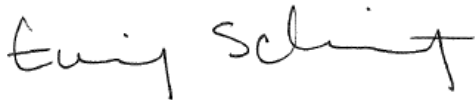
Mr. Drude,

Thank you for taking the time to address the City Council at their November 5, 2025, meeting to express your concerns regarding the Nelson Backwaters Final Environmental Impact Statement adequacy determination.

As required by State Statute, all comments received as part of the DEIS and responses to those comments are included in the FEIS. Given the purpose of an EIS is to outline the potential impacts or issues associated with the scope of a proposed project, additional evaluation is required prior to the permitting of a project

In addition, prior to the City's review of a mining permit to expand operations into the backwaters as proposed in the scope of the FEIS, the city will require permit approval from required agencies including but not limited to the DNR and the Army Corp of Engineers. The action of the Cottage Grove City Council on the FEIS does not permit the expansion of the mining area.

Sincerely,



Emily Schmitz
Community Development Director

November 14, 2025

Bonnie Matter
6649 Inskip Ave S
Cottage Grove, MN 55016

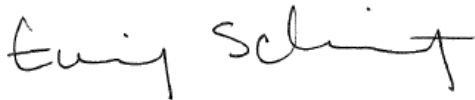
Ms. Matter,

Thank you for taking the time to address the City Council at their November 5, 2025, meeting to express your concerns regarding the Nelson Backwaters Final Environmental Impact Statement adequacy determination.

As required by State Statute, all comments received as part of the DEIS and responses to those comments are included in the FEIS. Given the purpose of an EIS is to outline the potential impacts or issues associated with the scope of a proposed project, additional evaluation is required prior to the permitting of a project.

In addition, prior to the City's review of a mining permit to expand operations into the backwaters as proposed in the scope of the FEIS, the city will require permit approval from required agencies including but not limited to the DNR and the Army Corp of Engineers. The action of the Cottage Grove City Council on the FEIS does not permit the expansion of the mining area.

Sincerely,



Emily Schmitz
Community Development Director

November 14, 2025

Dick Polta
9600 Geneva Avenue S
St Paul Park, MN 55071

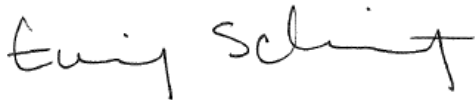
Mr. Polta,

Thank you for taking the time to address the City Council at their November 5, 2025, meeting to express your concerns regarding the Nelson Backwaters Final Environmental Impact Statement adequacy determination.

Amrize currently operates under a mining permit issued by the City of Cottage Grove. The extent of their mining on the island is determined by their operation plan which outlines the area they are permitted to mine as well as the areas planned for restoration. The mining area has not recently expanded. A proposed expansion of the mining area would be evaluated as part of a required annual mining permit review.

In addition, prior to the City's review of a mining permit to expand operations into the backwaters as proposed in the scope of the FEIS, the city will require permit approval from required agencies including but not limited to the DNR and the Army Corp of Engineers. The action of the Cottage Grove City Council on the FEIS does not permit the expansion of the mining area.

Sincerely,



Emily Schmitz
Community Development Director



City Council Action Request

7.G.

Meeting Date 11/19/2025

Department Administration

Agenda Category Action Item

Title 2026 Business Licenses

Staff Recommendation Approve Resolution 2025-159 approving the Business Licenses listed in Attachment A.

Budget Implication N/A

Attachments

1.	Memo License Renewal 2026
2.	Resolution - Business License Renewals - 2025-159
3.	Attachment A - Approved Business Licenses 2026



To: Honorable Mayor and City Council Members
Jennifer Levitt, City Administrator

From: Tamara Anderson, City Clerk

Date: 11/13/2025

Subject: 2026 Business License Renewals

Discussion

The City of Cottage Grove licenses specific business activities. Most licenses operate on a calendar-year basis and are subject to annual renewal.

Certain license types, as specified by City Code or upon the recommendation of the City Attorney, require City Council authorization for issuance. These include licenses for Liquor, Tobacco, Therapeutic Massage Businesses, Massage Therapists, Cannabinoid and Low Potency THC sales.

To allow sufficient time for staff verifications and required background checks prior to City Council review, the renewal application deadline was November 1, 2025. All applications submitted by this date, having cleared the necessary background checks, are included in the attached resolution for Council approval.

Recommendation

Adopt Resolution 2025-159 authorizing the renewal of the attached business licenses for 2026.

CITY OF COTTAGE GROVE, MINNESOTA
CITY COUNCIL
RESOLUTION 2025-159

BUSINESS LICENSE RENEWALS FOR 2026

WHEREAS, the City of Cottage Grove licenses specific business activities on a calendar-year basis and such licenses expire on December 31 and are subject to renewal; and

WHEREAS, certain license types require City Council authorization for issuance as specified by our City Code and/or the recommendation of our City Attorney; and

WHEREAS, the businesses listed in Attachment A have submitted license renewal applications; and

WHEREAS, the applications have been reviewed, and the businesses have undergone background investigations by the Police Division of the Public Safety Department and the City Clerk Division of the Administration Department; and

WHEREAS, the results of the background investigations have not revealed anything that would constitute a basis for denial of the renewal applications;

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Cottage Grove, County of Washington, State of Minnesota, authorizes renewal of the business licenses specified in Attachment A, for the year of 2026 conditioned on compliance with all applicable state and local regulations related to each specific license type.

Passed this 19th day of November 2025.

Myron Bailey, Mayor

Attest:

Tamara Anderson, City Clerk

RESOLUTION 2025-159 - ATTACHMENT A

License Type	Business	Address	Licensee
Liquor	Applebees	8380 East Point Douglas Rd	
	Bill's Liquor	7155 Jorgensen Lane S	
	Carbones	7155 Jorgensen Ln S, Ste 170	
	Cottage Grove VFW	9260 E Point Douglas Rd S	
	G-Will Liquor	6999 - 80th St S	
	Holiday #3512	6921 Pine Arbor Drive	
	Holiday #3827	8490 E Point Douglas Rd	
	Hope Glen Farm	10276 E Point Douglas Rd	
	Hy-Vee	7280 E Point Douglas Rd S	
Tobacco	Holiday #3512	6921 Pine Arbor Drive	
	Holiday #3827	8490 E Point Douglas Rd	
	Hy-Vee	7280 E Point Douglas Rd S	
	Hy-Vee Gas	7282 E Point Douglas Rd S	
	Bill's Liquor	7155 Jorgensen Lane S	



City Council Action Request

7.H.

Meeting Date 11/19/2025

Department Community Development

Agenda Category Action Item

Title Approval of Rental Licenses

Staff Recommendation Approve the issuance of rental licenses to properties listed in the attached table.

Budget Implication N/A

Attachments

1.	Rental License Approvals CC Memo
2.	Rental License Approvals Table

TO: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

FROM: Samantha Drewry, Code Enforcement Officer

DATE: November 12, 2025

RE: Rental License Approvals

Background/Discussion

Rental licenses are required for nonowner-occupied residential properties (City Code Title 9-13, Property Maintenance, and Title 9-14, Rental Licensing) and are issued on a biennial basis. The licensing process includes submittal of the rental license application, payment of the rental license fee, and public criminal history report. Rental inspections are conducted on all rental properties as part of the licensing process. Once all information has been submitted and the inspection satisfactorily completed, the Council must approve the license prior to it being issued.

The properties listed in the attached table have completed the licensing process and are ready to have their licenses issued following Council approval.

Recommendation

Approve the issuance of rental licenses to the properties listed in the attached table.

2025 RENTAL LICENSES
CITY COUNCIL APPROVAL - NOVEMBER 19, 2025

RENTAL LICENSE NUMBER	PROPERTY STREET #	PROPERTY STREET NAME	PROPERTY OWNER
RENT-001946	9335	73rd Street South	Chyba, Margaret
RENT-001957	6823	Meadow Grass Lane South	Bayliss, LLC
RENT-001977	7892	72nd Street South	T Rental
RENT-002163	7454	Hillside Trail South	Invitation Homes
RENT-002165	7416	Aspen Cove South	Invitation Homes
RENT-002851	6520	Genevieve Ave S	Dreso LLC
RENT-002882	9453	Hallmark Avenue South	Ishola, Taofeek
RENT-002890	7026	Homestead Avenue South	Paul and Karina Rental
RENT-002920	7595	Lamar Avenue South	Stulc, Edward



City Council Action Request

7.I.

Meeting Date	11/19/2025				
Department	Public Safety				
Agenda Category	Action Item				
Title	Minnesota Chiefs of Police Foundation Community Partnerships Award				
Staff Recommendation	Accept the grant in the amount of \$2,000.00 from the Minnesota Chiefs of Police Foundation Community Partnerships Grant Program.				
Budget Implication	N/A				
Attachments	<table><tr><td>1.</td><td>Memo - MCPF Community Partnership Grant Program Council Memo Nov 4 2025</td></tr><tr><td>2.</td><td>MCPF Community partnership Grant Program Award Documents Nov 4</td></tr></table>	1.	Memo - MCPF Community Partnership Grant Program Council Memo Nov 4 2025	2.	MCPF Community partnership Grant Program Award Documents Nov 4
1.	Memo - MCPF Community Partnership Grant Program Council Memo Nov 4 2025				
2.	MCPF Community partnership Grant Program Award Documents Nov 4				



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Peter J Koerner, Director of Public Safety

Date: November 4, 2025

Subject: **MN CHIEFS OF POLICE FOUNDATION COMMUNITY PARTNERSHIPS
AWARD**

INTRODUCTION

In 2026, we will continue with our second Youth Academy. After the success and popularity of our adult Citizens Academy, our department decided to create a similar program tailored specifically for the youth in our community. The first Youth Academy was a success and had great interest and participation. The curriculum will feature hands-on activities, informative tours, and engaging educational topics, all designed to inspire and educate the youth in our community.

Sergeant Michael McCormick identified the Minnesota Chiefs of Police Foundation (MCPF) Community Partnerships Grant Program to fund the Youth Academy. Sergeant McCormick submitted the grant application.

The MCPF set up a community partnership grant program designed to assist police departments in building trust and fostering strong relationships within their communities. The hope is the grant will empower departments to make a meaningful impact and further strengthen the mutual respect and collaboration between our agency and those we serve.

The MCPF awarded the Cottage Grove Police Department with a check in the amount of \$2,000.00 to support the Youth Academy.

RECOMMENDATION

Accept the grant in the amount of \$2,000.00 from the Minnesota Chiefs of Police Foundation Community Partnerships Grant Program.



MINNESOTA CHIEFS OF POLICE FOUNDATION

Advancing high quality, effective policing and strengthening police-community relations in Minnesota through training, outreach, grants and scholarships

COMMUNITY PARTNERSHIPS GRANT PROGRAM GRANT APPROVAL NOTIFICATION

Project Name: **Cottage Grove Police Youth Academy**

Grant Amount Requested: **\$2,500**

Grant Amount Approved: **\$2,000**

Dear Cottage Grove Police Department:

The Minnesota Chiefs of Police Foundation (MCPF) is pleased to offer this grant check in the amount of \$2,000 to support Cottage Grove Police Department's Youth Academy project.

The **MCPF Community Partnerships Grant Program** supports MN police departments in their efforts to build trust and strong relationships with their community. We hope this grant will provide an opportunity for your department to make a difference and continue to cultivate a mutually respectful and strong working relationship with your constituents.

The Foundation is proud to be able to offer grants and make a difference. Together, we will advance high quality, effective policing and strengthen police community relations in our state.

Thank you for your dedication to keeping our communities safe.

Sincerely,

Chief Jay Henthorne
Board President
Minnesota Chiefs of Police Foundation

Jeff Potts
Executive Director
Minnesota Chiefs of Police Association

Minnesota Chiefs of Police Foundation is a tax-exempt organization,
as described in Section 501(c)(3) of the Internal Revenue Code.
Federal Tax ID #27-0833763

www.mnchiefsfoundation.org



WWW.MNCHIEFSFOUNDATION.ORG



651-457-0677



803 OLD HIGHWAY 8 NW, STE 1 NEW BRIGHTON, MN 55112



City Council Action Request

7.J.

Meeting Date 11/19/2025

Department Parks and Recreation

Agenda Category Action Item

Title Ice Arena Naming Rights and Sponsorship Agreement

Staff Recommendation Authorize agreement with Front Burner Sports and Entertainment for naming rights and sponsorship services at the Cottage Grove Ice Arena.

Budget Implication Not to exceed \$46,500 over 18 months.

Attachments

1.	Council Memo - Front Burner Sports Agreement
2.	Front Burner Agreement for Professional Services - FBSE - Cottage Grove 10.17.25



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Zac Dockter, Parks and Recreation Director
Jordan Hirman, Recreation Facilities Manager

Date: November 12, 2025

Subject: Ice Arena Naming Rights and Sponsorship Agreement

Introduction

At its' October 1st workshop meeting, City Council received information from Front Burner Sports and Entertainment regarding the potential for a 3rd party service agreement to develop, market and administer a program for naming rights and/or large sponsorships at the Cottage Grove Ice Arena. Based on City Council feedback, a service agreement with Front Burner Sports is presented for consideration. Scope of services, terms and financial impacts are included within the agreement for Council review.

Staff Recommendation

Authorize agreement with Front Burner Sports and Entertainment for naming rights and sponsorship services at the Cottage Grove Ice Arena.

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT (“Agreement”) is made and executed this ____ day of _____, 2025, by and between the City of Cottage Grove, 12800 Ravine Parkway South, Cottage Grove, Minnesota 55016, (“City”) and Front Burner Sports and Entertainment, 1750 Tower Blvd., Suite 200, Victoria, Minnesota 55386 (“Consultant”).

WHEREAS, the City has accepted the proposal of the Consultant for certain professional services; and

WHEREAS, Consultant desires to perform the services for the City under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual consideration contained herein, it is hereby agreed as follows:

1. SERVICES.

- a. City agrees to engage Consultant as an independent contractor for the purpose of performing certain professional Services (“Services”), as defined in the following documents:
 - i. Scope of Services , incorporated herein as Exhibit A.
 - ii. Where the terms and conditions of this Agreement and those terms and conditions included in Exhibit A specifically conflict, the terms of this Agreement shall apply.
- b. Consultant covenants and agrees to provide the Services to the satisfaction of the City in a timely fashion, as set forth in Exhibit A, subject to Section 7 of this Agreement.
- c. Consultant agrees to comply with all federal, state, and local laws and ordinances applicable to the Services to be performed under this Agreement. Consultant represents and warrants that it has the requisite training, skills, and experience necessary to provide the Services and is appropriately licensed and has obtained all permits from all applicable agencies and governmental entities.

2. PAYMENT.

- a. City agrees to pay and Consultant agrees to receive and accept payment for Services as follows:
 - i. Phase One: \$3,000 per month. No itemized expenses.

- ii. Phase Two: \$2,500 per month. No itemized expenses.
 - iii. Phase Three: \$2,500 per month. No itemized expenses.
 - b. Consultant will receive commission on the lifetime value of any agreements that are executed as a result of Consultant's efforts under this Agreement. Commission rate shall be 12.5% on the lifetime value of any sold sponsorship agreement. The commission rate may be adjusted to 11% of the lifetime value of any sold sponsorship deal if the City chooses to pay all commission payments due to Consultant within a period of three (3) years of the signing of a sponsorship agreement. Furthermore, the 12.5% commission rate may be reduced to 9.5% if the City chooses to pay all commissions due to Consultant within one (1) year of the signing of a sponsorship agreement, unless another percentage rate is agreed to by the City Representative and the Project Manager upon approval of each naming rights contract.
 - c. Any changes in the scope of the work of the Services that may result in an increase to the compensation due the Consultant shall require prior written approval by the authorized representative of the City or by the City Council. The City will not pay additional compensation for Services that do not have prior written authorization.
 - d. Consultant shall submit itemized bills for Services provided to City on a monthly basis. Bills submitted shall be paid in the same manner as other claims made to City.
3. TERM. Consultant shall perform the services described in Exhibit A according to the following schedule:
- a. Phase One: Up to three (3) months in duration beginning on the date listed in the initial paragraph of this Agreement.
 - b. Phase Two: Beginning on the completion of Phase One and continuing for a period of up to eleven (11) months.
 - c. Phase Three: Beginning on the completion of Phase Two and continuing for a period of up to four (4) months.

The Agreement shall terminate upon the completion of all Services outlined in Exhibit A or under the provisions of Section 4 herein. This Agreement may be extended upon the written mutual consent of the parties for such additional periods as they deem appropriate, and upon the same terms and conditions as stated herein.

4. TERMINATION.

- a. Termination by Either Party. This Agreement may be terminated by either party upon thirty (30) days' written notice delivered to the other party to the addresses listed in Section 13 of this Agreement. Upon termination under this provision, if there is no default by the Consultant, Consultant shall be paid for Services rendered and reimbursable expenses incurred until the effective date of termination.
 - b. Termination Due to Default. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure that is acceptable to the other party.
5. SUBCONTRACTORS. Consultant shall not enter into subcontracts for any of the Services provided for in this Agreement without the express written consent of the City, unless specifically provided for in Exhibit A. Consultant shall pay any subcontractor involved in the performance of this Agreement within ten (10) days of the Consultant's receipt of payment by the City for undisputed services provided by the subcontractor.
6. STANDARD OF CARE. In performing its Services, Consultant will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time the Services are provided. No warranty, express or implied, is made or intended by Consultant's undertaking herein or its performance of Services.
7. DELAY IN PERFORMANCE. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or Consultant under this Agreement. If such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Consultant will be entitled to payment for its reasonable additional charges, if any, due to the delay.
8. CITY'S REPRESENTATIVE. The City has designated Jennifer Levitt to act as the City's representative with respect to the Services to be performed under this Agreement. She shall have complete authority to transmit instructions, receive information, interpret, and define the City's policy and decisions with respect to the Services covered by this Agreement.

9. PROJECT MANAGER AND STAFFING. The Consultant has designated Chris Potenza to be the primary contact for the City in the performance of the Services. He shall be assisted by other staff members as necessary to facilitate the completion of the Services in accordance with the terms established herein. Consultant may not remove or replace these designated staff without the approval of the City.

10. INDEMNIFICATION.

- a. Consultant and City each agree to indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by its negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Consultant and City, they shall be borne by each party in proportion to its own negligence.
- b. Consultant shall indemnify City against legal liability for damages arising out of claims by Consultant's employees. City shall indemnify Consultant against legal liability for damages arising out of claims by City's employees.

11. INSURANCE. During the performance of the Services under this Agreement, Consultant shall maintain the following insurance:

- a. General Liability Insurance, with a limit of \$2,000,000 for any number of claims arising out of a single occurrence.
- b. Professional Liability Insurance, with a limit of \$2,000,000 for any number of claims arising out of a single occurrence.
- c. Workers' Compensation Insurance in accordance with statutory requirements.
- d. Automobile Liability Insurance, with a combined single limit of \$2,000,000.

Consultant shall furnish the City with certificates of insurance, which shall include a provision that such insurance shall not be canceled without written notice to the City. The City shall be named as an additional insured on the General Liability Insurance policy.

12. OWNERSHIP OF DOCUMENTS. Professional documents, drawings, and specifications prepared by the Consultant as part of the Services shall become the property of the City when Consultant has been compensated for all Services rendered, provided, however, that Consultant shall have the unrestricted right to their use. Consultant shall retain its rights in its standard drawing details, specifications, databases, computer software, and other proprietary property. Rights to proprietary intellectual property developed, utilized, or modified in the performance of the Services shall remain the property of the Consultant.

13. NOTICES. Notices shall be communicated to the following addresses:

If to City: City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016
Attention: City Administrator

Or emailed: jlevitt@cottagegrovemn.gov

If to Consultant: Front Burner Sports & Entertainment
1750 Tower Blvd., Suite 200
Victoria, MN 55386
Attention: Chris Potenza

Or emailed: chris@frontburnersports.com

14. INDEPENDENT CONTRACTOR STATUS. All services provided by Consultant, its officers, agents and employees pursuant to this Agreement shall be provided as employees of Consultant or as independent contractors of Consultant and not as employees of the City for any purpose.

15. GENERAL PROVISIONS.

- a. Assignment. This Agreement is not assignable without the mutual written agreement of the parties.
- b. Waiver. A waiver by either City or Consultant of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.
- c. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota and any action must be venued in Washington County District Court.
- d. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both parties.
- e. Severability. If any term of this Agreement is found be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.
- f. Data Practices Compliance. All data collected by the City pursuant to this Agreement shall be subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

- g. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

[remainder of page intentionally blank]

CITY OF COTTAGE GROVE

By: _____
Myron Bailey, Mayor

By: _____
Tamara Anderson, City Clerk

Date: _____

FRONT BURNER SPORTS AND ENTERTAINMENT

Signature: _____

Name: _____

Its: _____

Date: _____

EXHIBIT A

SCOPE OF SERVICES

Phase One

Front Burner shall provide professional services to assist the City in valuing, soliciting and evaluating proposals for, and negotiating third-party naming rights agreements and additional sponsorship agreements for the Cottage Grove Ice Arena.

1. Discovery and valuation

- a. Front Burner will tour the Cottage Grove Ice Arena and review building architectural plans to gain a deeper understanding of the available assets that may be utilized in a Naming Rights agreement to uncover underutilized assets that can be created to make a program more attractive to a potential advertiser.
- b. Conduct a kickoff meeting with the City to discuss project background, roles and responsibilities, exchange pertinent information and define project goals.
- c. Conduct interviews with key stakeholders of the new facilities, including but not limited to City staff, City Council Members, Parks and Recreation Commissioners, third party vendors, and user groups. The purposes of these meetings are to understand goals and objectives of each group and gather accurate data on potential site traffic. This information will begin to build the value proposition that will be presented to potential naming rights partners and uncover opportunities to partner with outside groups to make the naming rights offering more attractive to potential partners.
- d. Research and review existing naming rights agreements, including similar government and private-sector naming rights initiatives and reviewing City agreements for sponsorships, banners and advertising.
- e. Conduct a market prospect audit to build out a target list of potential naming rights partners. This list shall be reviewed by the City to determine if any partner categories should not be pursued.
- f. Deliver the following deliverables at the end of discovery and valuation for Phase I:
 - a) Project summary document, outlining goals for the project as stated in interviews conducted by Contractor and will make recommendations as to the best path for success
 - b) Benchmarking or “Like facility” research document, summarizing other facilities in the market specific to current naming rights and valuations on available advertising assets
 - c) Updated naming rights prospect list, including names and contact of the companies to be contacted about naming rights partnerships
 - d) Suggested naming rights valuation package outline, including an initial assessment of the naming rights program value as well as a suggested list of assets to include in the future naming rights marketing package. This would also include an analysis of other entitlement opportunities or partnerships that may be viable.

2. Development of solicitation materials

- a. Work with the City to develop an “elevator pitch” and FAQ document that can be used as the basis for discussions with potential naming rights partners and other potential facility partners.
- b. Research prospective companies in Cottage Grove and the region that should be contacted in naming sponsorship packages.
- c. Create comprehensive sales materials that outline available opportunities to potential partners. This document will include not only information about the property but will also provide potential partners with compelling reasons why this opportunity is valuable.
- d. Develop the advertising package by determining whether to sell each sponsor placement individually or bundle the assets into packages.
- e. Implement the required letters of intent and associated agreements necessary to secure sponsors, naming rights organizations and advertisers. All of these documents shall require approval by City Staff prior to being presented to potential sponsorship/advertising partners.

Phase Two

1. Active presentation of opportunity

- a. Commence a targeted and aggressive outbound sales outreach based on the contact list developed in Phase One.
- b. Work with the City on any final negotiations with potential naming rights partners, incorporating best practices in terms of asset production, term of agreement, contract structure, cost controls and optimization of realized revenue.
- c. During this phase, provide the City with regular reports detailing Contractor’s activity on this project, including but not limited to a description of the companies that have been contacted about this opportunity, where they are in the sales cycle, projected investment levels, possible roadblocks and future steps. Additionally, Contractor shall meet with the City Representatives every two to four weeks either by phone or in person to provide progress updates.
- d. Continue to review community input to assess sponsorship related trends, requests made to city officials from interviews with businesses and organizations in order to gather leads for priority prospects.

Phase Three

1. Contracting, activation and sale of additional partnerships

- a. After successfully securing a naming rights partner or other partners for the City, Contractor will work with City staff to execute contracts and oversee the installation and activation of assets.
- b. At the conclusion of this phase, provide a final report summarizing all delivered assets, contact information for any vendors used for production and/or installation and instructions for activation of the agreement for future years

The above shall be construed as an anticipated approach. Contractor is responsible for performing all professional services necessary to secure the best possible naming rights and sponsorships for the City.

Additional Requirements

The City of Cottage Grove shall provide relevant requested information on all the above stated phases and tasks.

1. Providing insight into planning related to the use of the Cottage Grove Ice Arena, knowledge of the community and in particular, user groups and stakeholders.
2. Review and discuss with City Representatives any and all city policies and procedures that must be adhered to throughout the naming rights process.
3. The Contractor shall make every reasonable effort to maintain a sufficient staff, facilities, and equipment to deliver the services. The Contractor shall within ten (10) days notify the City in writing whenever it is, or reasonably believes it is going to be, unable to provide the required quality or quantity of services. The foregoing conditions will be subject to the provisions of the Force Majeure Clause of this Agreement.

The Contractor agrees to furnish the City with additional programmatic and financial information it reasonably requires for effective monitoring of services. Such information shall be furnished within a reasonable period, set by the City, upon request.



City Council Action Request

7.K.

Meeting Date 11/19/2025

Department Parks and Recreation

Agenda Category Action Item

Title Beverage Supplier Agreement for Ice Arena and River Oaks

Staff Recommendation Authorize beverage agreement with Pepsi Beverages Company for services at the Cottage Grove Ice Arena and River Oaks.

Budget Implication N/A

Attachments

1.	Memo-Pepsi Agreement 2025
2.	Cottage Grove Ice Arena - River Oaks Golf Course Pepsi Contract Revised 10-27



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Zac Dockter, Parks and Recreation Director
Jordan Hirman, Recreation Facilities Manager
Dennis Neitz, River Oaks General Manager
Brad Muckenhirn, Recreation Supervisor

Date: October 31, 2025

Subject: Beverage Supplier Agreement for Ice Arena and River Oaks

Introduction

The current contract with Coca-Cola for beverage service is expired. Beverage service includes soda fountain units (event center and concession stand), vending machines, coolers, marketing material/support and more.

Staff recently reviewed proposals from both Coca-Cola and Pepsi Beverages Company and thoroughly analyzed service capabilities, product line potential, product costs and more. Based on that analysis, staff is recommending transitioning to Pepsi Beverages Company.

Pepsi Beverages Company is a supplier located in Burnsville, MN. Pepsi Beverages Company offers a deeper overall non-soda product variety along with several potentially high revenue producing beverages such as Mountain Dew, Dr Pepper and Gatorade. Additionally, the Pepsi Beverages Company agreement offers immediate product cost savings along with a substantially higher marketing support rate. The table below reflects the most financially impactful comparisons of the agreement.

Item	Pepsi Beverages Co.	Coca-Cola
Marketing Support Revenue	\$14,500	\$10,500
Average Cost Per Gallon Soda (after rebate)	\$19.31	\$22.06
Average Cost Per Case 20oz Soda (after rebate)	\$24.99	\$27.00
Average Cost Per Case 20oz Sports Drink (after rebate)	\$27.63	\$28.00

Based on the previous five-year product purchasing data at the price points above, staff projects the contract with Pepsi Beverages Company will increase profitability by over \$15,000 during this five-year agreement.

Staff Recommendation

Authorize beverage agreement with Pepsi Beverages Company for services at the Cottage Grove Ice Arena and River Oaks.



US DSD Beverage Agreement C

Customer Information

Name of Business: Cottage Grove Ice Arena & River Oaks Golf Course

Primary Contact: Brad Muckenhirn

Address: 8020 80th Street S, Cottage Grove, MN 55016
11099 US-61 S, Cottage Grove, MN 55033

City: Cottage Grove

State: MN

Zip Code:

Customer E-mail: BMuckenhirn@cottagegrovemn.com

COF Number(s): (include all numbers) NA

Fed Tax ID #:

State Tax ID #:

Business Phone: 651 458 3412 **Cell #:** 0000000000

Business Owner:

PBC Information

PBC Location(s): BURNSVILLE DPC MN

Created By: Erin Cichanski **Route #:** 13754

PBC Market Unit: MN/EAU CLAIRE MKT **Phone #:** 952 292 1832

Sales Method: (check one) ☒ Pepsi Direct ☐ Pre-Sell (Route #)

Agreement Term

Agreement Start Date: 11/24/2025

Agreement End Date*: 11/23/2030

(Agreement automatically renews each year unless Cancellation is received at least ninety (90) days prior to the end of the term)

(Check Boxes and Specify, as applicable)

I. PBC Covenants

X	(A) Loan at no charge (except where prohibited by law - in which event PBC shall charge the minimum legal rental fee allowed), where and as necessary coolers, fountain or other Equipment to the Customer, to be placed and operated pursuant to the terms and conditions of this Agreement (as specified on reverse side). Initial Equipment Placement shall be as follows (fill out as applicable): Coolers: One-Door Two-Door Three-Door Counter-top Energy Fountain: 6 Valve 8 Valve Bar guns (button) Special: Lipton Refreshing Iced Tea Juice Frozen Slush FUB Unit 3 1 Valve Urn 2 Valve Urn _Other (Specify):
X	(B) PBC shall provide, at no charge to the Customer (except where prohibited by law), periodic maintenance, necessary service and repairs to all Equipment loaned to Customer pursuant to this Agreement.
X	(C) PBC shall make available for purchase by Customer Pepsi branded cups and CO ₂ ("Ancillary Products") at prices as determined by PBC. (Based on availability)
X	(D) 4% Annual Price Protection for life of the contract
	(E) For additional local PBC Field input:

II. Customer Covenants

X	(A) Volume Based Term (Check box if applicable) * The Term of this Agreement shall commence on the Agreement Start Date listed above, and end on the later of: (1) 11/23/2030 or (2) the date on which Customer purchases from PBC 7,760 Gallons/Cases for sale in the Outlets.
X	(B) EXCLUSIVE – Customer agrees to exclusively serve the Products indicated below at the Customer's Outlet. The Products shall be the only beverages of their respective types sold, dispensed or otherwise made available, or in any way advertised, displayed, represented or promoted at or in connection with the Customer's Outlet. (Excluding product PBC doesn't sell)
	(C) NON-EXCLUSIVE – Customer agrees to grant PBC the right to have its Products sold, dispensed or otherwise made available, and advertised, displayed, represented or promoted at or in connection with the Customer's Outlet. Notwithstanding the foregoing, if PBC has provided Customer with fountain Equipment, Customer agrees to serve PBC's postmix Products exclusively at its Outlet.
X	(D) DSD – Customer agrees to purchase all Products directly from the PBC Location(s) indicated above and sell only those Products purchased from PBC from the Equipment provided to the Customer by PBC. Customer shall not stock any non-PBC Products (food or beverages) in Equipment.
	(E) MINIMUM THRUPUT – In order to qualify for applicable Equipment, Customer shall purchase a minimum annual average of 100 Cases per door for each cooler, 100 Gallons per each FB unit, 150 Gallons per each urn, and 500 Gallons per each fountain dispensing unit (minimum requirement may exclude bar guns at PBC's discretion) at the Outlet.
	(F) REQUIRED PRODUCTS. Purchase, stock and distribute at least each of the Products (as specified below) at all times during the Term.

(1) Required Packages for this Agreement:

Fountain Postmix/BIB	20oz	2 Liter	Cans	Fountain Premix/Tanks
(Limited Market Availability)	Cups	CO ₂		
Other :				

(2) FOUNTAIN/POSTMIX SKU REQUIREMENTS: (Must carry minimum of Six)

(Based on availability)
Pepsi, Diet Pepsi, Sierra Mist, Mtn Dew, Diet Dew, Brisk, Dr Pepper, Diet Dr Pepper, Mug, CF Diet Pepsi, Sierra Mist Zero Sugar, Crush, Dole Lemonade, Pepsi Wild Cherry, Fruit Punch, bubbly, Citrus Springs
Lipton Iced Tea: Sweet Unsweet Other
Frozen Slush Juice BIB Juice Cartridge Other Innovation

(3) 20oz BOTTLE SKU REQUIREMENTS: Must Check One Level

(All shall be 20 oz bottles unless otherwise indicated)

	Platinum: Must Purchase Pepsi, Diet Pepsi, Sierra Mist, Mtn Dew, Aquafina plus any three additional SKUs from brands below:
	Gold: Must Purchase any five SKUs from brands below:
	Silver: Must Purchase any three SKUs from brands below:
	Pepsi, Diet Pepsi, Pepsi Zero Sugar, Mtn Dew, Diet Dew, Mtn Dew Zero Sugar, Mtn Dew Energy (16oz), Sierra Mist, Aquafina, Dr Pepper, Diet Dr Pepper, Crush, Lipton Iced Tea, Brisk, Pure Leaf, Gatorade, G2, Gatorade Zero, Propel, LIFEWTR, bubly (16oz), Tropicana, Naked, KeVita, Dole/Ocean Spray, KickStart (16oz), Starbucks (all packaging), Bang (16oz), Rockstar (16oz), Muscle Milk, Viva Sol
	Comply with the Terms of this Agreement

AGREED TO AND ACCEPTED BY:

For PepsiCo Beverage Sales, LLC, operating as Pepsi Beverages Company

Signature:	DocuSigned by: Erin Cichanski	Date	10/15/2025
	C9659BAF4E5D41E...		
Print Name	Erin Cichanski	Title	Blank KAM
For Customer			
Signature:	DocuSigned by:	Date	
	3A8E91A1663642A...		
Print Name		Title	



US DSD Beverage Agreement C

Customer Information

Name of Business:

Cottage Grove Ice Arena & River Oaks Golf Course

Customer E-mail:

BMuckenhirn@cottagegrovemn.com

Primary Contact:

Brad Muckenhirn

COF Number(s):

NA

Address:

8020 80th Street S, Cottage Grove, MN 55016
11099 US-61 S, Hastings, MN 55033

Fed Tax ID #:

City:

Cottage Grove/Hastings

State Tax ID #:

State:

MN

Business Phone:

651 458 3412

Zip Code:

Business Owner:

Cell #:

PBC Information

Agreement Term

PBC Location(s):

BURNSVILLE DPC MN

Created By:

Erin Cichanski

Route #:

13754

Agreement Start Date:

11/24/2025

PBC Market Unit:

MN/EAU CLAIRE MKT

Phone #:

952 292 1832

Agreement End Date*:

11/23/2030

III. PBC AGREEMENT OVERVIEW

X

(A) Upon request by PBC, Customer shall provide a verification list of the current locations of all Equipment loaned or rented to Customer by PBC ("Equipment List"), which shall include addresses and serial and asset numbers. Customer shall provide PBC with access to such Equipment at any time upon request. Failure to provide a complete Equipment List to PBC may result in:

☒ Removal of Equipment

☒ Forfeiture of all funds payable by PBC hereunder

X

(B) PBC Shall Pay a one-time Initial Support Fund of \$ \$4,500 within 90 days of the later of the signing of this Agreement or commencement of Agreement Start Date.

X

(C) PBC shall pay Annual Support Funds as follows:
X Annually: \$ \$2,000 Semi-Annually: \$ _____ Quarterly: \$ _____
Payable within 90 days of the commencement of each Agreement Year, unless otherwise indicated, for the Agreement Years 1-5 and shall not exceed \$10,000 in total payments. For Year 1, payable within 90 days of the later of the signing of this Agreement by both parties or commencement of Agreement.

(D) PBC shall provide Marketing Support* up to the following amount:
Annually: \$ _____ Semi-Annually: \$ _____ Quarterly: \$ _____

*Marketing Support will be used and spent by PBC for mutually agreed marketing and other programs. Marketing Support will not be carried over to a subsequent Year and will not be redeemable for a cash payment.

X

(E) PBC Shall pay Rebates* on purchased Products based on Schedule A, within 90 days after the period indicated below:
X Annually Semi-Annually Quarterly
*Based on 24 units/case unless otherwise noted in Schedule A

X

(F) Customer shall return any shells and pallets received from PBC, if applicable.

SCHEDULE A

Product	Units Per Case/ Gallons Per BIB	Rebate Per Case/Gallon	Conditional Increased Rebate per Case/Pkg	Conditional Increased Rebate Condition
3G BIB		\$3.00		
5G BIB		\$3.00		
2G BIB		\$3.00		
12oz		\$3.00		
12oz SLK		\$3.00		
16oz		\$3.00		
13.7oz		\$3.00		
6.5oz		\$3.00		
20oz		\$3.00		
14oz		\$3.00		
8oz		\$3.00		

Initial Support Fund and Annual Support Funds, set forth in this Agreement, shall be earned over the Agreement Year or Term, as applicable, and shall be refunded pro rata by Customer if this Agreement is terminated prior to the Agreement End Date.

AGREED TO AND ACCEPTED BY:

For PepsiCo Beverage Sales, LLC, operating as Pepsi Beverages Company

DocuSigned by:

Erin Cichanski

Signature:

C9659BAF4E5D41E...

Date:

10/15/2025

Print Name

Erin Cichanski

Title

KAM

For Customer

DocuSigned by:

Signature:

3A8E91A1663642A...

Date:

Print Name

Title

The following Products are excluded from Schedule A and will not receive any Rebates

Version 22.1c

Page 2 of 4



COF:

IV. GENERAL TERMS

This sets forth the agreement (“Agreement”) between PepsiCo Beverage Sales, LLC, on behalf of itself and its affiliates and/or their respective subsidiaries collectively comprising Pepsi Beverages Company (“PBC”) and the Customer identified on the front page of this Agreement (the “Customer”), with respect to the purchase of Products.

1. **Definitions.** As used in this Agreement, the following capitalized terms shall have the respective meanings assigned thereto below.
 - a. **“Agreement Year”** shall mean each twelve-month period beginning with the Agreement Start Date.
 - b. **“Beverage”** or **“Beverages”** means all carbonated and non-carbonated, non-alcoholic drinks, however dispensed during the Term of the Agreement
 - c. **“Cases”** shall mean cases of bottle & can Products purchased by the Customer from PBC to be delivered in sizes, quantities and types of containers as determined by PBC from time to time.
 - d. **“Equipment”** shall mean all coolers, fountain and other beverage dispensing equipment loaned or rented to the Customer by PBC during the Term.
 - e. **“Gallons”** shall mean the gallons of Postmix, LCT and FB Products purchased by the Customer from PBC.
 - f. **“Outlet”** shall mean the Customer’s outlet located at the address indicated under the Customer information section, and any expansions thereof, including any restaurant, outlet or other facility in the Customer’s system that may be opened or acquired by the Customer within PBC’s bottling territory during the Term (the “Outlets”). In the event that new Outlets are added during the Term of this Agreement, the parties shall create and attach an updated schedule of Outlets, COFs and addresses, to be automatically included as part of the Agreement.
 - g. **“Products”** shall mean Beverages manufactured, sold or distributed by PBC which may be amended by PBC from time to time.
 - h. **“Initial Term”** This Agreement shall become effective upon execution by all parties, and the term of this Agreement shall commence on the Agreement Start Date and expire upon the later of (i) the Agreement End Date; (ii) the Volume Based Term set forth in Section II.A of the Agreement, if applicable or (iii) at least ninety (90) days prior to expiration of any Renewal Period

2. **Consideration.** In consideration of the rights granted in this Agreement, and provided the Customer is not in breach of this Agreement, PBC shall provide the Customer the following – if applicable as indicated on the first two pages of this Agreement:

- a. **Funding.** As set forth in this Agreement, Funding, as applicable, may consist of: (1) an Annual Support Fund payment in the amount indicated in this Agreement, payable as specified herein and earned over the duration of the Agreement Year in which it is paid; (2) Rebates, payable for applicable Cases or Gallons of Products purchased by Customer from PBC during the applicable funding period; (3) a one-time only Initial Support Fund in the amount indicated in this Agreement, payable within ninety (90) days of the later of installation of Equipment or signing of this Agreement by both parties, and earned on an equal monthly basis over the Initial Term of the Agreement has only a “time-based” duration, and will be earned on an equal per Gallon/Case basis if the Agreement has a “later of time or Gallons/Cases purchased” duration; and (4) such other consideration as indicated on the first two pages of this Agreement, including that based on exclusive/non-exclusive status of the Customer. ; and

The Customer acknowledges and agrees that all consideration set forth herein is to be earned by the Customer based on its full compliance with the terms, and requirements of this Agreement and PBC shall provide such consideration provided the Customer (1) has paid in full, without offsets, auto or other deductions, all invoices for Products delivered to the Customer, and (2) is not in breach of its obligations under this Agreement.

3. **Equipment.** The Equipment loaned to Customer pursuant to this Agreement, shall remain the property of PBC or one of PBC’s affiliates throughout the Term. Customer will surrender all Equipment to PBC upon expiration or termination of this Agreement as more fully set forth below. PBC or one of its affiliates shall retain all right title and interest in the Equipment. PBC will make initial delivery of each piece of Equipment to the Customer’s designated location. At all times during the Term, Customer shall comply with PBC’s Product merchandising standards, and policies and procedures regarding the operation and use of PBC’s Equipment, as such standards and policies may be updated or modified by PBC from time to time. Failure to comply with this provision shall be deemed a material breach of this Agreement. At PBC’s sole discretion, the Customer may have the opportunity to receive additional loaned Equipment from PBC, subject to any additional stipulations as determined by the local PBC office servicing the Customer. **In connection with the foregoing, Customer acknowledges and agrees that Equipment shall only be used to house/dispense PBC Products and may not be safe or suitable for storage of non-Beverage items.** Customer shall not remove or cause to be removed or otherwise encumber the Equipment from the location above designated without the written consent of PBC.

a. **Equipment Repairs.** Customer agrees to promptly notify PBC if the Equipment needs to be repaired or serviced and shall fully cooperate with PBC in effecting any necessary repairs or service. Provided the Customer is in compliance with all terms and conditions of this Agreement, PBC agrees to provide free service and repair of the Equipment (except where prohibited by law). Customer shall keep the Equipment free from any liens or encumbrances except those caused by PBC. Customer shall be liable to PBC for careful use and return of the Equipment in good condition, and any Equipment or parts lost or damaged by fire, theft, accident, or for any other reason, shall be paid for, at the time of loss, by Customer. All reasonable expenses incurred by PBC in securing return of the Equipment, including but not limited to hourly charges for PBC’s employees, shall be Customer’s responsibility. PBC shall have the right, during Customer’s usual business hours, to enter the premises where the Equipment is located and shall have free access thereto for purposes of inspecting or removing the Equipment.

b. **Equipment upon Expiration or Termination of this Agreement.** If this Agreement is terminated or expires and the parties do not enter into a subsequent agreement, then the Customer shall fully cooperate with PBC to insure that PBC is able to pick up its Equipment. Within 15 days after the expiration or termination the Customer shall coordinate with PBC so that PBC may pick up its Equipment at the Customer’s locations. Once PBC has picked up and inspected the Equipment, PBC shall notify the Customer of any damage to or missing Equipment/parts (excluding reasonable wear and tear). Customer shall immediately pay to PBC all applicable costs, expenses, and fees associated with the repair/replacement of the Equipment or associated parts. Failure make such payment shall be deemed a material breach of this Agreement.

4. **Product Price.** Prices for Products (including for Ancillary Products, if applicable) shall be at the discretion of PBC and subject to change from time to time.

5. General Terms

a. **Breach and Termination.** In the event either party breaches a provision of this Agreement, the non-breaching party shall give the other party written notice of such breach. Upon receipt of such written notice, the breaching party shall have thirty (30) days to cure such breach. If such breach is not cured within the specified time period, the non-breaching party may terminate this Agreement upon the expiration of such cure period upon written notice to the breaching party.

b. **Remedies.** In the event of early termination, , Customer shall immediately reimburse PBC for the following: (i) an amount representing reimbursement for the cost of installation and removal of the Equipment provided to Customer by PBC pursuant to this Agreement; and

c. **Failure to meet Minimum Thruput Requirement.** Throughout the Term, if Customer’s purchase trends reasonably indicate that Customer cannot achieve the average Cases/Gallons as indicated on the front page of this Agreement, then PBC shall have the right to either (i) remove Equipment completely and terminate this Agreement pursuant to Section 5(a), or (ii) substitute/adjust Equipment placement(s) as deemed reasonably necessary by PBC and the Customer shall surrender or make available for return the Equipment within 20 days after written notice from PBC.

d. **Right of Offset.** PBC reserves the right to withhold payments due hereunder as an additional remedy for breach, or as an offset (partial or whole) against any amounts not paid by Customer to PBC pursuant to this Agreement, including the payments set forth in Sections (b) above.

e. **Customer Representation.** Customer represents and warrants to PBC that the execution, delivery and performance of this Agreement by Customer will not violate any agreements with, or rights of, third parties.

f. **Non-Disclosure.** Except as may otherwise be required by law or legal process or as reasonably necessary for PBC to enforce its rights hereunder, Customer shall not



US DSD Beverage Agreement C

disclose to unrelated third parties the terms and conditions of this Agreement without the written consent of PBC.

g. Assignment/Acquisition. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned or otherwise transferred by either party by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties, *provided, however*, that PBC may assign and transfer this Agreement (in whole and not in part) to an affiliate without the consent of Customer hereto; *provided, however*, that, (x) such affiliate is capable of fully performing all obligations of the assignor hereunder and (y) such affiliate agrees, under a separate agreement acceptable to the other party and signed by such affiliate, to perform all of the obligations and assume all liabilities of the assignor hereunder. In the event that a third party acquires Customer or substantially all Outlets or if Customer is acquired or merges with a third party, Customer will, in connection with such transaction, cause the acquiring party/merged entity, in writing, to ratify this Agreement and assume all of the obligations of Customer hereunder. In the event that Customer does not deliver written evidence of such ratification and assumption of this Agreement by the acquiring party or merged entity within ten (10) days following the closing of the transaction, Customer will be in breach of this Agreement and PBC may, at its option, terminate this Agreement effective immediately and Customer will pay to PBC all sums specified in Section ___ herein.

h. Distribution Limitation. PBC reserves the right to limit quantities, withhold or deduct funding as an offset to amounts not paid by Customer or terminate this Agreement if Customer (i) sells Products directly or indirectly for resale outside of the PBC's exclusive territory where the Outlet operates and (ii) purchases Products outside PBC's exclusive territory where the Outlet operates and resells such Products within PBC's exclusive territory.

i. Right of First Refusal.

j. Trademarks. PBC shall have final authority to review and approve, in its sole discretion, all aspects of any advertising or promotion provided for under this Agreement, including of any and all promotional or other materials utilizing PepsiCo trademarks, and no documents, point of sale, coupons, sell sheets, etc. shall be released without PBC's prior written approval. Any and all trademarked, copyrighted or other material in which either party claims or has property rights shall remain the sole and exclusive property of that party and shall be used by the other solely for the purposes listed and to the extent allowed by this Agreement.

k. Indemnification. Customer shall defend and indemnify PBC against all costs, expenses, claims or losses incurred through claims of third parties resulting from Customer's breach of the terms and conditions of this agreement as well as any claims for damages based on personal injury, death or property damage due to Customer's actions and/or omissions, including but not limited to any claims related to Customer's misuse of (and/or failure to adhere to PBC's quality and handling requirements related to) PBC's Equipment, Products or IP/Trademarks.

l. Force Majeure. No party will be responsible to the other for any failure, in whole or in part, to perform any of its respective obligations hereunder, to the extent and for the length of time that performance is rendered impossible or commercially impracticable resulting directly or indirectly from any foreign or domestic embargo, product detention, seizure, act of God pandemic, epidemic, insurrection, war and/or continuance of war, the passage or enactment of any law ordinance, regulation, ruling, or order interfering directly or indirectly with or rendering more burdensome the purchase, production, delivery or payment hereunder, including the lack of the usual means of transportation due to fire, flood, explosion, riot, strike or other acts of nature or man that are beyond the control of the parties unless such contingency is specifically excluded in another part of this Agreement ("Force Majeure Event"). Any party(s) so affected, will (i) use all reasonable efforts to minimize the effects thereof and (ii) promptly notify the other party(s) in writing of the Force Majeure and the effect of the Force Majeure on such party's ability to perform its obligations hereunder. The affected party(s) will promptly resume performance after it is no longer subject to Force Majeure. In the event Customer's performance is temporarily suspended pursuant to a Force Majeure Event, Pepsi's funding obligations will be suspended for the duration of Customer's nonperformance. Once Customer resumes performance or in the event Customer is able to perform some, but not all of its obligations herein, any fixed, advanced, or guaranteed funding will be adjusted commensurate with the decline in volume associated with the suspended or partial performance.

m. Arbitration. Customer acknowledges and agrees that PBC has the right and authority, at its election, to bring a suit in any court of competent jurisdiction related solely to the issues of: (i) collection for unpaid invoices for Products delivered to the Customer; or (ii) recovery of Equipment loaned to Customer pursuant to this Agreement or the value thereof. Except for the claims excluded above, the parties expressly acknowledge and agree that any and all unresolved disputes, controversies or claims between the parties arising out of or relating to this Agreement or the parties' relationship generally, whether brought forth under breach of contract, tort, price discrimination, restraint of trade or other theory of law (statutory or common law), shall be settled by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Discovery rules for such arbitration shall be pursuant to the Federal Rules of Civil Procedure, and the location for such arbitration and the number of arbitrators shall be mutually determined by the parties.

The arbitration proceeding and award, if any, shall be subject to the Non-Disclosure requirements contained herein. It is intended that each party shall be responsible for bearing its own costs associated with arbitration as provided for hereunder, except that the arbitrator(s) shall be authorized to award the costs of arbitration as the interests of justice require. Unless PBC expressly waives the arbitration requirement, all other disputes and claims, if any, between the parties would still be subject to, and remain bound by, this Arbitration requirement.

n. Entire Agreement. This Agreement contains the entire agreement between the parties hereto regarding the subject matter hereof and supersedes all other agreements between the parties, including prior funding commitments relating to the purchase of the Products by Customer. This Agreement may be amended or modified only by a writing signed by each of the parties.

Pepsi Beverages Company		Customer	
Signature: 	Date: 10/27/25	Signature: 	Date:



City Council Action Request

7.L.

Meeting Date 11/19/2025

Department Parks and Recreation

Agenda Category Action Item

Title Ice Resurfacer Purchase

Staff Recommendation Authorize staff to purchase a Zamboni 546 series ice resurfacer from Zamboni Company USA, Inc. under the Sourcewell Contract for the amount of \$157,638.43.

Budget Implication \$157,638.43 from Ice Arena Capital Fund.

Attachments	1.	2025 Zam Purchase Memo
	2.	J_Hirman546.11.5..25proposal



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Zac Dockter, Parks and Recreation Director

CC: Jordan Hirman, Recreation Facilities Manager
Brenda Malinowski, Finance Director

Date: November 5, 2025

Subject: Ice Resurfacer Purchase

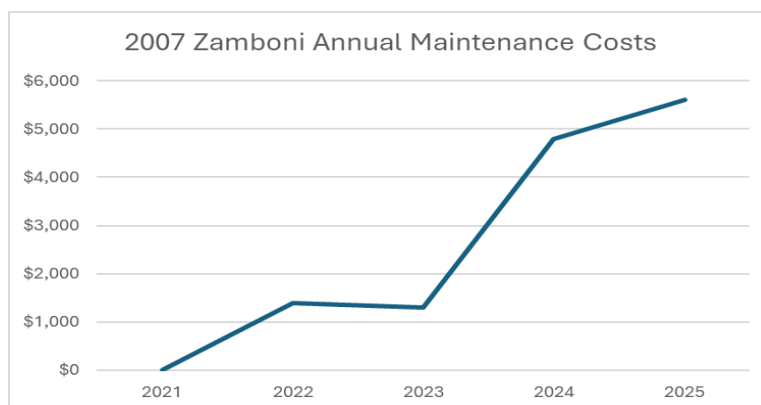
Introduction

In the 2025 budget (9526-Ice Arena Capital Fund), \$145,000 has been allocated for the purchase of a new ice resurfacer for the Cottage Grove Ice Arena. Staff is seeking approval for the purchase of a 2026 Zamboni 546 for the cost of \$157,638.43. Upon receiving a new Zamboni, staff would then sell the City's 2007 Zamboni with anticipated sales revenue of up to \$20,000 thus bringing the total cost under budget.

Background

In 2019, the Ice Arena purchased a used 2007 Zamboni for \$50,000 in an effort to save costs associated with the purchase of a new unit. Because the Ice Arena has three ice resurfacers, staff was able to limit the use of this unit to primarily south rink resurfacings and get over five years of operation. However, as the fleet of all the ice resurfacers ages and as the integrity of 2007 Zamboni seems to be degrading quickly, staff recommended replacement of this unit in the 2026 budget.

The 2007 ice resurfacer is due for replacement based on age and maintenance cost. The machine is nearly 20 years old and has over 4,400 hours of operation. By charting mechanical expenses over the past five years, the age of the machine is showing an increasing level of repairs and service as charted below.



Typically, any equipment with over 4,400 hours of use is more prone to mechanical failure. When using a mileage equivalent of 50 miles per hour on a standard road vehicle, the hours on this resurfacer would equate to roughly 220,000 miles. Similar to any vehicle with this type of mileage, the useful life of the equipment is waning, and maintenance needs will increase.

Ice Arena staff does not recommend retaining ice resurfacers over 20 years old. As a frontline piece of equipment, ice resurfacers are instrumental to providing quality and safe ice conditions on an hourly basis. The sheets of ice at the Ice Arena are responsible for nearly every dollar of revenue generated at the facility so having reliable ice maintenance equipment is critical to the business. Breakdowns are costly in terms of repair expenses, labor and increased load on operational units. Staff have done an excellent job on maintaining this resurfacer the past five years but recommend replacement of the unit at this time.

Staff Recommendation

Authorize staff to purchase a Zamboni 546 series ice resurfacer from Zamboni Company USA, Inc. under the Sourcewell Contract for the amount of \$157,638.43.

ZAMBONI COMPANY USA, INC.

15714 Colorado Ave. Paramount, CA 90723 USA ☎ +1 562 633 0751 📠 +1 562 633 9365 zamboni.com

November 5, 2025

Jordan Hirman
City of Cottage Grove
8020 80th Street South, Cottage Grove, MN 55016



PROPOSAL

“The principal product you have to sell is the ice itself.”

– Frank J. Zamboni

Maintaining an ice surface presents a multitude of challenges. Having efficient and reliable resurfacing equipment should not be one of them. Driven by our founder’s commitment to innovation, we put our product to the test in the harsh environment it will call home. Every feature is deliberately designed to make resurfacing easier and to ensure that the end result is an exceptional sheet of ice. Built by hand. One at a time. The result is an ice resurfacing machine legendary for its quality, durability and superior performance.

MODEL 546:

Proven hydrostatic performance and significant fuel savings provide the industry’s lowest emissions and a cleaner arena environment. An exceptionally efficient 1.6 L engine can be configured for gasoline or propane fuel. On-dash diagnostics with programmed maintenance notifications provide engine performance data on the go. The hydrostatic transmission and powerful double pump for the augers deliver strong conveyor performance at any speed. Our unrivaled down pressure system ensures that all you leave behind is perfect.

INNOVATION:

Our commitment to constant innovation is an investment in the end product. We apply decades of experience working with facility owners and operators into every decision we make. Automated processes provide a consistent end result and reduce the chance for operator error. Opportunities to retrieve and display data from the machine provide a new tool in rink management. The incremental and continued introduction of new and better technologies to our ice resurfacing equipments facilitates savings of time and valuable resources.

QUALITY:

Zamboni sets the standard of quality to which the industry is held. The Zamboni Company holds itself to an even higher standard with ongoing assessment and meticulous quality control, resulting in products which consistently produce the finest sheet of ice even after many years of use. Our rugged four-wheel drive chassis is hand-built using strong all-welded steel tubing. Premium materials and components are

ZAMBONI®

used throughout. We continually collaborate with our customers to ensure the products that will ultimately end up in their facility exceed the high expectations of quality associated with our brand.

VALUE:

Zamboni has a well-deserved reputation as the Industry Leader. One which we don't take for granted. Our products have the lowest cost of operation and maintain the highest residual value. A network of Zamboni Authorized Distributors and our own Customer Service teams provide local service and support for our products. In the world of ice, time is money and unreliable equipment can be a show-stopper. Yet another reason that worldwide, more facility operators choose Zamboni for their ice resurfacing needs. Nothing else is even close.

MACHINE SPECIFICATIONS:

Machine specifications are available online.

MANUFACTURER'S STATEMENT:

This machine is proudly designed and manufactured in Paramount, California by Zamboni Company USA, Inc., a United States company.

WARRANTY:

Twenty-Four (24) months or 2,000 hours, whichever comes first, parts replacement only. Mileage and travel time are not covered under warranty.

SAFETY STANDARDS:

This machine is engineered to meet or exceed OSHA and ANSI safety labeling requirements. In addition to digital safety information, operating instructions and service manuals being provided with the delivery of the machine, all owners/operators have access to all of these materials online at www.zamboni.com to view and download at any time.

FOR ADDITIONAL INFORMATION:

zamboni.com/machines/model-546

zamboni.com/options

Zamboni 546
STANDARD EQUIPMENT INCLUDES: \$ 111,310.00

3 Way Catalytic Converter, Aluminum Wheels, Black Powder Coated Conditioner, Conditioner Poly Side Plate, Guide Wheel, Lambda Fuel Management System, LPG Low Fuel Light (LPG Machines), Parking Brake, Wash Water System w/ Poly Tank, Board Brush

ADDITIONAL EQUIPMENT:

Auto Snow Breaker	\$	2,054.48
Back Up Alarm	\$	584.78
LPG Carburetion (No tanks)	\$	1,521.45
Snow Tank Light	\$	491.63
Level Ice (on-site training & installation additional)	\$	22,252.50
Fast Ice	\$	19,659.83
Subtotal	\$	157,874.67
Sourcewell Discount: 120320-FZC	\$	-4,736.24
Transportation	\$	4,500.00
Total	\$	157,638.43

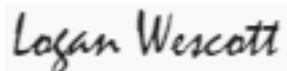
F.O.B:

Paramount, California USA

TERMS:

Balance Net 30 days from date of shipment.
Shipment 500 days or sooner from receipt of order. Pricing firm for 30 days.
Pricing does not include any applicable sales tax.

THANK YOU:



Logan Wescott,
Regional Sales Manager

Zamboni Company USA, Inc.
15714 Colorado Ave. Paramount, California 90723 USA
Phone: +1 562 633 0751 Fax: +1 562 633 9365

November 05, 2025

Date



City Council Action Request

7.M.

Meeting Date 11/19/2025

Department Parks and Recreation

Agenda Category Action Item

Title River Oaks Aerator Purchase

Staff Recommendation Authorize purchase order for Toro ProCore 648 Greens Aerator for the amount of \$40,602.81 under 2025 State Contract pricing.

Budget Implication \$40,602.81 from equipment budget.

Attachments

1.	Council Memo - Greens Aerator
2.	River Oaks PC 648S 10-31-25



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Zac Dockter, Parks and Recreation Director
Dennis Neitz, River Oaks General Manager
Joel Hanson, River Oaks Superintendent
Wade Huesman, River Oaks Assistant Superintendent

Date: November 5, 2025

Subject: River Oaks Equipment Purchase – Greens Aerator

Introduction/Background

River Oaks budgeted \$40,000 for replacement of a greens aerator in 2026. This equipment is critical in agronomy of maintaining high quality golf greens.

Currently, River Oaks maintains two walk-behind aerators to service the golf course. This purchase will replace the 2006 John Deere unit. In recent years, staff reports that both aerating units have become unreliable and routinely break down during aeration work thus complicating a maintenance activity that truly needs to be as efficient as possible to not negatively affect the golfer's experience. Additionally, the units are inefficient and typically require excessive labor and time to complete the work. Staff believe a new Toro ProCore 648 will reduce labor and time by as much as 75% for this particular maintenance activity.

The Toro ProCore 648 is considered the golf industry's standard for efficiency, reliability, quality, and performance in a walk-behind aerator. A good indicator of the superior performance of this unit is the resale value of used units in the market today. Resale values have held as high as 100% on younger units which is substantially higher than other golf maintenance equipment on the market.

Lead time on a Toro ProCore 648 is six months. By ordering now, the City can secure 2025 State Contract pricing while also securing receipt of the equipment prior to aerating needs for the 2026 season.

Staff Recommendation

Authorize purchase order for Toro ProCore 648 Greens Aerator for the amount of \$40,602.81.



MTI Distributing
Equipment Quote
October 31, 2025



River Oaks GC
City of Cottage Grove
Wade Huseman

Quote Expiration Date: 11/30/2025

MN State Contract 243333

Qty	Model Number	Description	Quote Price Each	Quote Price Extended
1	09960	Toro ProCore 648s	\$34,564.14	\$34,564.14
3	09736	Mini-tine Head Set (2 rows of 5)	\$239.46	\$718.38
6	09796	4 Tine 3/4 Inch Head Set	\$244.14	\$1,464.84
24	108-9168	Titan Side Eject 3/4 Inch (6.50 Inch X .660 Inch)	\$7.61	\$182.52
2	120-1045	Guard-Turf, 4 Tine, Short	\$48.34	\$96.68
1	120-1046	Guard-Turf, 4 Tine, Long	\$74.25	\$74.25
2	120-1047	Guard-Turf, Mini Tine, Short	\$67.40	\$134.80
1	120-1052	Guard-Turf, Mini Tine, Long	\$80.32	\$80.32
5	SSF	Standard SetUp Fee @ \$135/hr	\$135.00	\$675.00
			Subtotal	\$37,990.93
			Sales Tax 6.875%	\$2,611.88
			Total	\$40,602.81

**** MN State Contract is only valid until 1-31-26****

***Unit will be delivered by April 1, 2026 contingent on order being placed before this quote expires on 11-30-25.**

Quote is valid for 30 days; pending product availability

Net 30 Terms with qualified credit

New Toro commercial equipment comes with a two-year manufacturer warranty

Equipment delivery at no additional charge

All commercial products purchased by a credit card will be subject to a 2.5% service fee.

Thank you for the opportunity to submit this quote. If you have any questions, please do not hesitate in contacting us.

Bob Frank
Commercial Sales Rep
612-877-0837

Scott Esterby
Inside Sales Rep
763-592-5641

MTI Distributing, Inc. • 4830 Azelia Ave N • Brooklyn Center, MN



City Council Action Request

7.N.

Meeting Date	11/19/2025		
Department	Parks and Recreation		
Agenda Category	Action Item		
Title	Sale of Surplus Property		
Staff Recommendation	Authorize Parks and Recreation to advertise and sell surplus property on MNBid, Kbid or Cranky Ape.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>Memo-Sale of Surplus Property</td></tr></table>	1.	Memo-Sale of Surplus Property
1.	Memo-Sale of Surplus Property		



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Zac Dockter, Parks and Recreation Director
Brenda Malinowski, Finance Director

Date: November 6, 2025

Subject: Sale of Surplus Property

Introduction

Parks and Recreation is requesting authorization to sell the surplus property below.

Item	Reserve Price
Vending Machine #1 - Dry Goods	\$400
Vending Machine #2 - Dry Goods	\$400
Vending Machine #3 - Dry Goods	\$200
Air Fry Machine (concession stand unit)	\$2,000
KaiVac	\$250

If minimum bid is not received at auction for any or all assets, it will be place for sale on Facebook Marketplace or similar used equipment sales platform for the minimum bid sale price (or more) to sell.

Staff Recommendation

Authorize Parks and Recreation to advertise and sell surplus property on MNBid, Kbid or Cranky Ape.



City Council Action Request

7.0.

Meeting Date	11/19/2025								
Department	Community Development								
Agenda Category	Action Item								
Title	John P. Furber House Proposed Rehabilitation								
Staff Recommendation	Adopt Resolution 2025-164 to allow the proposed improvements to the John P. Furber House located at 7310 Lamar Avenue South.								
Budget Implication	N/A								
Attachments	<table><tr><td>1.</td><td>Furber House Rehabilitation CC Memo</td></tr><tr><td>2.</td><td>Furber House Rehabilitation ACHP Letter 10-09-2025</td></tr><tr><td>3.</td><td>Furber House National Register of Historic Places Continuation Sheet</td></tr><tr><td>4.</td><td>Furber House Rehabilitation Resolution 2025-164</td></tr></table>	1.	Furber House Rehabilitation CC Memo	2.	Furber House Rehabilitation ACHP Letter 10-09-2025	3.	Furber House National Register of Historic Places Continuation Sheet	4.	Furber House Rehabilitation Resolution 2025-164
1.	Furber House Rehabilitation CC Memo								
2.	Furber House Rehabilitation ACHP Letter 10-09-2025								
3.	Furber House National Register of Historic Places Continuation Sheet								
4.	Furber House Rehabilitation Resolution 2025-164								

TO: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

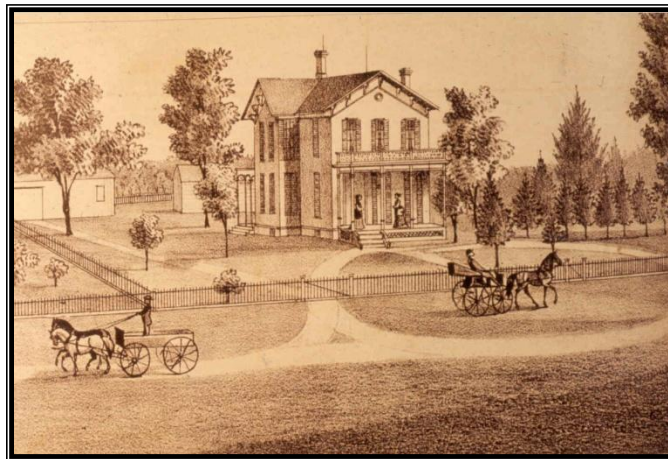
FROM: Max Erickson, Planner

DATE: November 12, 2025

RE: John P. Furber House Proposed Rehabilitation

Introduction/Background

The John P. Furber House (Furber House) is located at 7310 Lamar Avenue. It was built in 1885 and is listed on the City's Register of Historic Sites & Landmarks (Resolution No. 83-118, which was approved on September 7, 1983). The Furber House is also listed on the National Register of Historic Sites, which was approved in 1981. John P. Furber, the original owner, was significant in the Washington County community by being part of the original survey teams for communities such as Stillwater, Afton, and Point Douglas. In 1871, he formally platted the Village of Cottage Grove. The household's significance as the original home constructed in what is known as the original Village of Cottage Grove was one of the original homes of Washington County. Aside from its status as an original home, the construction of the building holds historic significance. It is described as an Italianate style home with a gabled front façade. Parts of the building were changed in 1940, including the addition of a porch, which has been replaced by a doorway hood. The siding of the home consists of asbestos shingles.



Historic John P. Furber Home – C. 1874

In 2013, the Furber Barn was listed on the City's Register of Historic Sites & Landmarks (Resolution 2013-129). In conjunction with this registration, the property owners applied for a Historic Conditional Use Permit (HCUP) to operate a wedding and event venue based on the conditions of Resolution 2013-130. The property owners returned to the city requesting an amendment to their HCUP and a Variance to incorporate additional driveway access to Lamar Avenue, add outside ceremony space, landscaping improvements, and more. This was granted

in Resolution 2018-103. No official plan was submitted for the Furber House for this request, and Resolution 2018-103 conditioned that any improvements for the structure shall be reviewed by the ACHP. An additional application to amend CUP 2018-103 was made to construct a new complementary home onsite to act as a Bed and Breakfast. No change to the original John P. Furber House was proposed or approved with this proposal. This proposal was granted with Resolution 2018-136. This approval was never executed.

The property has since operated as a wedding event venue and has been recently acquired by Brad and Louise Madison, who opened their doors to the renamed venue called "The Madison" in 2025.

Proposal

The applicants, Brad and Louise Madison, are interested in renovating the exterior and interior of the historic house to bring the building up to current code standards and operate the historic house as a short-term rental. In their proposal, the Madisons would like to remove the existing asbestos siding and restore the original siding underneath if possible. If repairs cannot be made, they would like to replace them with a product that would accentuate the historical significance of the building. They propose to repair windows and other exterior items while maintaining historic integrity.

Additionally, the Madisons plan to make interior improvements including sealing the attic to provide insulation and making repairs to the walls and ceilings.

Planning Considerations

The subject property is zoned R-3, Single Family Residential, and short-term rentals are not regulated by city zoning. R-3 allows limited commercial ventures conducted at "historic properties" as a conditional use. The wedding and event center HCUP currently being operated has been approved through Resolution 2013-130 and relevant HCUP amendment through Resolution 2018-103.

Per City Code, the Advisory Committee for Historic Preservation (ACHP) shall review and make recommendations to the council concerning proposed alterations to an historic site or landmark. The ACHP, upon receipt of the permit application and plans, shall determine if the work to be performed adversely affects the designated historic site, landmark, or district. In determining whether or not there is an adverse effect to the historic site, landmark, or district, the committee shall consider the following factors:

1. Whether the work will significantly alter the appearance of the building or structure so as to remove the features which distinguish the historic site or landmark as a significant cultural resource.
2. Whether the use of the property will destroy, disturb or endanger a known or suspected archaeological feature site

As this site is on both the national and local registers of historic places, the building required significant historical value in order for it to be registered. A document procured from the State

Historic Preservation Office (SHPO) indicates that the descriptions of the building that contributes to the historic value of the property include:

- The Italianate style of construction built between 1844 and 1871 with gabled front façade/roof/side bays
- Tall narrow windows with simple frame surrounds and restrained entablature heads
- A round window at the front gable
- A porch that no longer exists (1981)
- Wood siding that was covered by asbestos shingles in 1943



The Current Furber House



Original Clapboard Siding Underneath Asbestos Siding



Original Window

The significance of the site described in the national registration document is the rich history of the owner, John P. Furber, for whom the house is named. Being an original settler of the area and establishing the original Village of Cottage Grove as well as other communities in Washington County contributes to the historic importance of the building.

The Madisons propose to provide updates to the exterior by utilizing modern materials that match or resemble the original materials used. As the asbestos siding was added in the 1940's, the replacement of the original siding hidden beneath would honor the original historic look. The proposal outlines keeping the original window style by either repairing or replacing it with the same style as the existing windows. Exterior decorative features will be repaired or replaced to be as original as possible.

The proposed Interior improvements proposed would not alter the historic significance of the structure. Items listed as significant features for the national register do not indicate any interior features that contribute to the structure.



Interior Feature to Remain

Advisory Committee on Historic Preservation

At their meeting held October 14, 2025, the ACHP reviewed the proposal and received a presentation by the Madisons. There following questions were asked by the attending members of the ACHP:

1. Will the structure be repainted to the original red color?
 - a. The applicant proposed that the color remain white as it has been for most of the structure's existence.
 - b. Staff have found that the color of the structure is not mentioned in the significance documents which were provided as part of the National or Local Register.
2. If the siding needs to be fully replaced, would you use a similar material?
 - a. The applicant suggested that they would use modern materials that match the look of what the original siding looked like.
3. Will there be a need to replace the interior plaster and lathe?
 - a. The applicant responded that much of it will need to be replaced to repair the damage. Significant work within the walls will need to be completed to repair and install plumbing.
 - b. Staff have highlighted that the historic importance of the structure is the overall style construction of the building not focusing on the interior items. The second and most important aspect of the home is its association with John P. Furber.
4. Is there an order for work that would occur for the structure?
 - a. The applicant specified that the windows and siding were the priority followed by the exterior decorative features. They would then continue into the inside of the structure.
5. How will the structure be insulated?
 - a. The Applicant stated that they would seal the attic and create what is known as a "Hot Roof," which would collect heat throughout the day and radiate through the home.

The ACHP unanimously voted (4-0) to recommend approval of the proposed improvements to the John P. Furber House located at 7310 Lamar Avenue South.

Recommendation

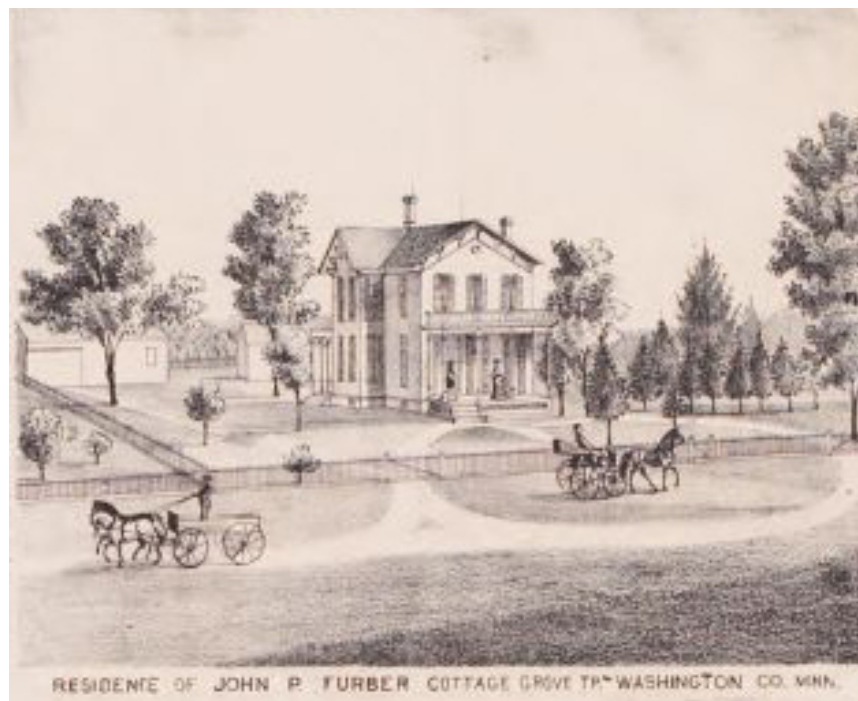
That the City Council adopt Resolution 2025-164 to allow the proposed improvements to the John P. Furber House located at 7310 Lamar Avenue South.

Attachments:

- Proposal Letter Dated 10/9/25
- National Register Historic Significance Document

Tentative Renovation Plans for:

“The Historic John P Furber House”
7310 Lamar Ave, Cottage Grove, MN 55016



RESIDENCE OF JOHN P. FURBER. COTTAGE GROVE TWP. WASHINGTON CO. MINN.

Brad and Louise Madison recently became the owners of the historic house known to be the residence of John P Furber and his family. The house, built in 1851 is listed on the National Historic Registry. It is currently in a state of disrepair needing an abundance of renovation. Brad and Louise Madison became the owners on September 17th, 2024 and are only the 4th owners in the lineage of the property. Their purchase of the property was initially to take ownership of the wedding venue which makes use of a beautifully renovated gothic arch dairy barn built in 1947. This barn shares the acreage that the house sits on. The Madisons, after a hugely successful first year in the wedding venue industry have now turned their eyes towards the historic house on the property. They believe the house has absolutely amazing potential to return to the glorious piece of architecture it once was. This document is to be taken only as a tentative plan to the direction we are hoping to take to restore the house. This document should only be thought of as a concept, and not taken as a draft or proposal.

Firstly we would like to say that after taking ownership of the house we were contacted by a family member of the Furbers who was so kind to share with us much of their family history. They shared with us their family almanac and are so excited that we are trying to restore the house. With this in mind our intention is to bring the house back to life as close as we can to its original form, while bringing some more modern amenities to the house in order to make it both comfortable, and efficient. All while keeping its historic features, and charm. What follows is a list of projects we look to take on to progress the restoration.

EXTERIOR RENOVATIONS

1. Remove Asbestos Siding.

The siding that is currently on the home is white, and light grey asbestos siding. We have a quote to remove this siding and are looking to have this done late November, or early December. Removing this siding will make it more clear as to the next steps as we are unsure what the siding underneath looks like. Under the asbestos siding is believed to be the original clapboard siding which we think is painted red. It is likely that the original siding will be rotted to a degree that it cannot be salvaged. But we need to remove the asbestos siding first to make that decision. If the original siding is in better shape than expected, then we will obtain quotes to restore / repair existing siding.

2. Replace Clapboard Siding

If the original clapboard siding is not able to be restored, the plan is to replace it with a newer, more durable covering, that has the same look as the original clapboard. We have started the process of collecting quotes for the installation of this product. The goal is to return the look back to its original classic clapboard siding.

3. Window Restoration

We researched several options for the restoration of the windows. The windows are very large, and have a very unique size. Originally we were researching replacement window options as the original windows looked very rough. But we actually found a company that specializes in restoring historic properties, and they have given us a proposal to restore all of the original windows, and to repair any rotted wood. The glass will

also be replaced with the classic “wavy glass” to keep its authenticity. The window sashes, and the weighted mechanics of the windows will also be repaired. We are very excited about this part of the restoration! Finishing the windows will be one of the biggest parts of making the exterior of the house beautiful again.

4. Decorative Features

The last part of the exterior renovation will include restoring the soffits, moldings, and trim around the roof. This is more cosmetic, and we have yet to research this part of the restoration. But feel that it will be easier to determine what needs to be done after windows, and siding.

INTERIOR RENOVATIONS

1. Electrical Installation

The electrical in the entire house will need to be re-wired. Currently there is 2 sub panels ran to the house. One on the exterior of the house, and one randomly in a bedroom on the 2nd level of the house. We are currently working with a general contractor to secure someone to do the electrical aspect of the house.

2. Plumbing

The plumbing in the house will need to be extensively redesigned. Originally the house had a single bathroom and only one sink in the kitchen. The hope is to potentially expand the plumbing to include a bathroom on the 2nd level of the home. Although not historically accurate to the original home we believe this to be necessary to meet the demands of modern living.

3. Finishing & Fixtures

Once we arrive to the time where we are finishing the details of the interior we will be working to use that moment to really focus on the historical aspects of the home that gave it its charm. The big beautiful double front door, the crown moldings on the ceilings, and the beautiful wood trim throughout the home will be retained. In terms of fixtures we will do our best to make the house feel historic, but also efficient. We will strive to include modern amenities that people need in our era, that will co-exist with the historic charm of the home.

FINAL THOUGHTS

As we are so early on in this process the ideas we have will be evolving quickly. The ideas listed in this preamble are to open the door, and to get the ideas flowing.

The most important thing that we wish the ACHP to know is that we value the historic nature of the house, and that we find joy in returning the house to its original glory. We are so excited to be able to share with our clients, and also our community the history of this home.

We thank you for your attention in this matter, and look forward to working with you in the future on our amazing journey!

Kind Regards,
Brad & Louise Madison

The Historic John P Furber House
(As it stands today)



United States Department of the Interior
National Park Service

National Register of Historic Places
Continuation Sheet

Section number _____ Page _____

Note: These changes apply to
Furber, J. P., House in Washington
County, Minnesota.

REFERENCE NUMBER: 82003074

STATE: MINNESOTA

COUNTY: Washington

RESOURCE NAME (HISTORIC): Furber, John P., House

CITY: Cottage Grove

VICINITY OF:

ADDRESS:

CERTIFICATION DATE:

REMOVED DATE:

COMMENTS: There is no East Cottage Grove City

Nina M. Archabal

Nina M. Archabal
State Historic Preservation Officer

JUN 17 1988

Date

HISTORIC NAME: J. P. Furber House

COUNTY: Washington

CURRENT NAME:

CITY/TWP.: Cottage Grove

LEGAL DESC.: Block G. Original Town, excluding southerly 113 feet.

ADDRESS: 7310 Lamar Avenue

WA-CGC-001

CLASSIFICATION:	CONDITION:	SIGNIFICANCE:	THEME/S:
Building <u>X</u>	Excellent _____	Local <u>X</u>	Primary <u>Settlement</u>
Structure _____	Good <u>X</u>	State _____	Secondary _____
Object _____	Fair _____	National _____	Others _____
District _____	Deteriorated _____		

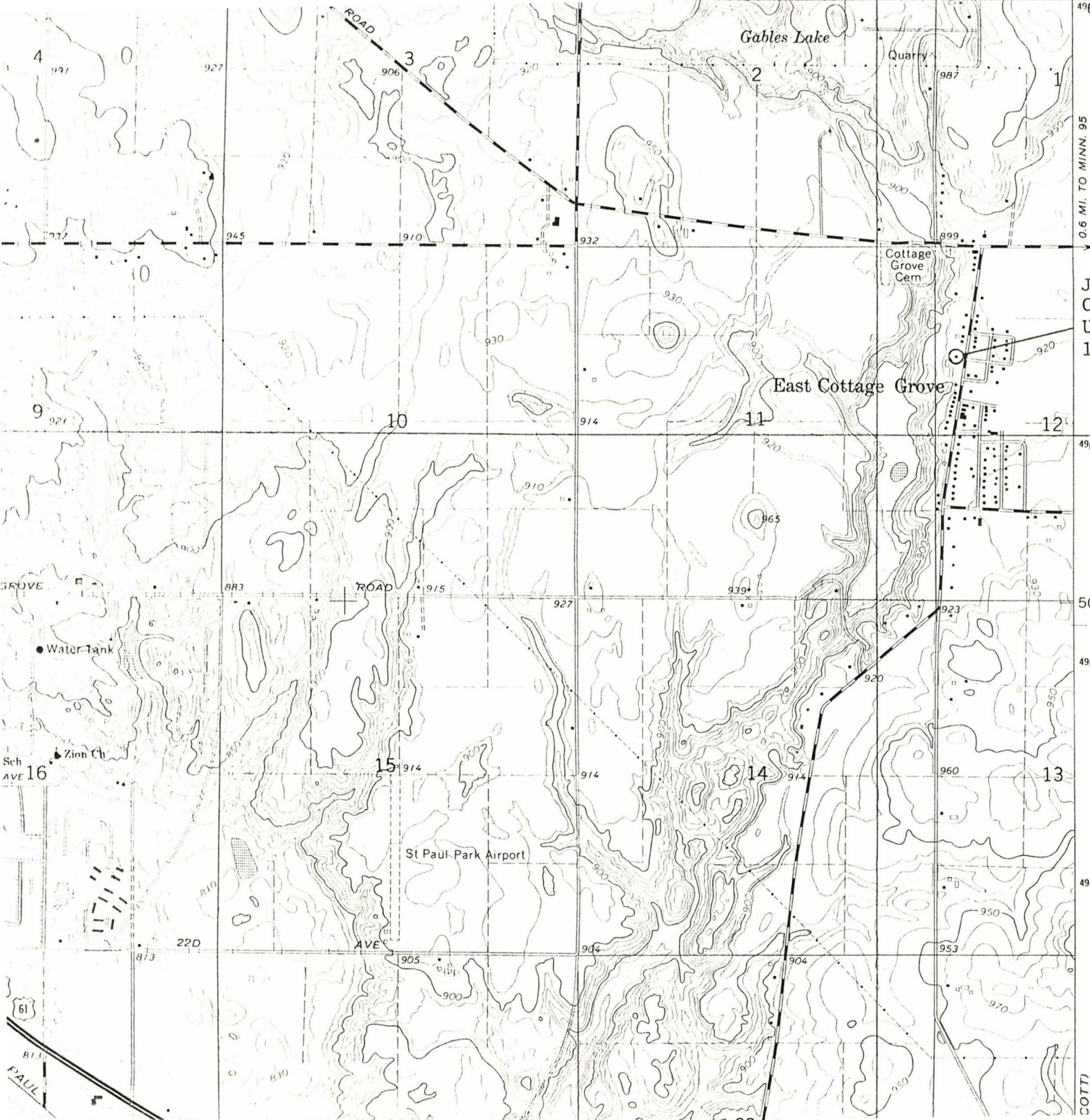
OPEN TO THE PUBLIC:	Yes _____ No <u>X</u> Restricted _____	PRESENT USE:
VISIBLE FROM THE ROAD:	Yes <u>X</u> No _____	residence
OCCUPIED:	Yes <u>X</u> No _____	

DATE CONSTRUCTED: 1871	ORIGINAL USE: residence
ORIGINAL OWNER: J. P. Furber	ARCHITECT/BUILDER: Unknown

OWNER'S NAME AND ADDRESS: Jacob Vandenberg 7310 Lamar Avenue Cottage Grove, MN 55016	ACREAGE: Less than one acre <u>X</u>
LOCAL CONTACT/ORG.: N/A	UTM REFERENCE: St. Paul Park, Minn. 7.5 --15 / 509360 / 4965360
FORM PREPARED BY: Tom Harvey	
DATE: 3/81	

DESCRIPTION: The two-story frame J. P. Furber House sits on a large lot set back from the main street in the original village of Cottage Grove. The Italianate style house has a rectangular, side-hall plan, gabled front facade, and gable-roofed side bays. The wide eaves of the low-pitch roof are supported by scrolled brackets. Tall, narrow windows are outlined with simple frame surrounds and restrained entablature heads. A round window marks the front gable. The original front porch extended across the facade, covering the entry and two floor-to-ceiling windows. This porch has now been replaced by a doorway hood only. A rear corner porch has been replaced by a lean-to addition dating from before 1940. The house is sided with asbestos shingles.

SIGNIFICANCE: The J. P. Furber House represents a theme of settlement typical of several of Washington county's earliest towns: post-settlement formal town platting. J. P. Furber was proprietor of the Cottage Grove town site, established some 20 years after the village had its start. The Cottage Grove area was one of the first settled inland regions of the county. Some of the earliest agricultural development in the state centered on the township. By 1851 the village of Cottage Grove was the center of a thriving farming community and a wayside post office center. Among the early settlers were the Furber brothers, from New Hampshire. J. W., Samuel, Theodore, William, and J. P. Furber moved to Cottage Grove at different times between 1844 and 1860. In 1871 J. P. Furber formally platted the village of Cottage Grove on forty acres adjacent to the informally established town. J. W. Furber surveyed the town site. Several other communities in the county, including Stillwater, Afton, and Point Douglas, followed the same pattern of central place settlement prior to official town founding.



J.P. Furber House
Cottage Grove, MN; Washington Co.
UTM References
15 / 509360 / 4965360

COTT
V SE

J.P. Furber House, Cottage Grove, 1981, NW 04267/13





IN REPLY REFER TO:

United States Department of the Interior

NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

The Department of the Interior is pleased to inform you that the historic property listed on the enclosed sheet has been nominated by the State Historic Preservation Officer responsible for your State's implementation of the National Historic Preservation Act of 1966, P.L. 89-665 (80 Stat. 915), as amended. It has accordingly been entered in the National Register of Historic Places. A leaflet explaining the National Register is enclosed for your information and convenience.

Enclosures

ENTRIES IN THE NATIONAL REGISTER OF HISTORIC PLACES

STATE MINNESOTA

Date Entered APRIL 20, 1982

<u>Name</u>	<u>Location</u>
WASHINGTON COUNTY MULTIPLE RESOURCE AREA:	Washington County
1 Furber, J. P., House	East Cottage Grove Washington County
2 (Old) Minnesota State Prison	Stillwater Washington County
3 Jenks, Captain Austin, House	Stillwater Washington County
4 Lammers, Albert, House	Stillwater Washington County
5 Sauntry, William, House and Recreation Hall	Stillwater Washington County
6 McKusick, Ivory, House	Stillwater Washington County
7 St. Croix Lumber Mills (Stillwater Manufacturing Company)	Stillwater Washington County

Notified

Honorable David F. Durenberger
Honorable Rudy Boschwitz
Honorable Arlan Stangeland

Midwest Regional Office, NPS

✓ State Historic Preservation Officer
Mr. Russell W. Fridley
Director, Minnesota Historical
Society
690 Cedar Street
St. Paul, Minnesota 55101

MINNESOTA

Date Entered: APRIL 20, 1982

WASHINGTON COUNTY MULTIPLE RESOURCE AREA:
(Continued)

Stussi, Henry, House

Stillwater
Washington County

Webster, Mortimer, House

Stillwater
Washington County

Valley Creek Residences Thematic Resources
(Washington County Multiple Resource Area)

Bolles, Erastus, House (Valley Creek
Residences Thematic Resources)

Afton/Valley Creek
Washington County

Gilbert, Newington, House (Valley Creek
Residences Thematic Resources)

Afton/Valley Creek
Washington County



MINNESOTA HISTORICAL SOCIETY

FOUNDED IN 1849

690 Cedar Street, St. Paul, Minnesota 55101 • (612) 296-4111

June 14, 1982

Jacob Vandenberg
7310 Lamar Avenue
Cottage Grove, MN 55016

Dear Mr. Vandenberg:

RE: J. P. Furber House
7310 Lamar Avenue
Cottage Grove, Minnesota

I am pleased and honored to congratulate you upon the entry of your property on the National Register of Historic Places. The National Register, as you know, is a listing of districts, sites, and buildings considered to be worthy of preservation. An information sheet describing the program is enclosed.

By recognizing the significance of your property and planning for its preservation you are participating in a national movement which aims to preserve, for the benefit of future generations, our cultural heritage.

Again, congratulations on your receiving this important designation.

Sincerely,

Nina Archabal
Deputy State Historic Preservation
Officer

Enclosures: are mailed to the owner only

cc: Charles Woodward, President
Washington County Historical Society
602 N. Main St., P.O. Box 167
Stillwater, MN 55082

Roger E. Peterson, Mayor
City Hall
7516-80th St. S.
Cottage Grove, MN 55016

East Cottage Grove CRS

WA-CGC-001

COTTAGE GROVE CULTURAL RESOURCES SURVEY FORM

NAME OF SITE/LANDMARK

Common Vandenberg House

Historic John P. Furber House

LOCATION

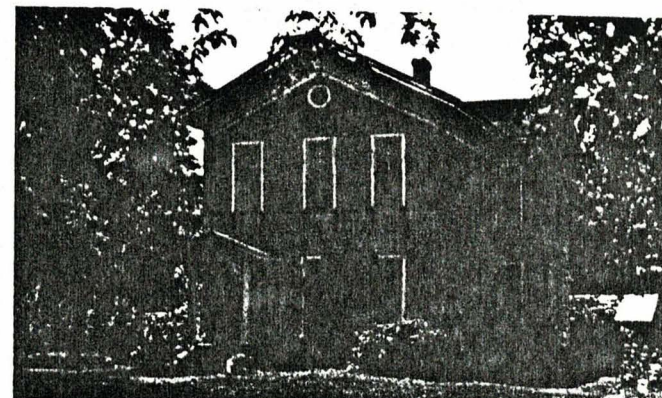
Address or Vicinity 7310 Lamar Avenue South, East Cottage Grove

Lot G Section Cottage Grove Addition Township Range

OWNER

Name Mr. and Mrs. Jacob Vandenberg

Address 7310 Lamar Avenue South, Cottage Grove MN 55016



CLASSIFICATION:

Archaeological Site

Standing Structure

Building XX

Object

Landmark

CONDITION:

Excellent

Good XX

Fair

Deteriorated

Destroyed

AREA OF SIGNIFICANCE:

Archaeology

Architecture XX

History XX

Industry

Other

DESCRIPTION (For archaeological sites, aboriginal earthworks, ruins, and natural features describe acreage, surrounding terrain, vegetation, and prominent geological features. For buildings and standing structures describe number of structures and associated objects or natural features, position, style, dimensions, color, and present use.)

2 story frame house on large lot, west side of Lamar Ave. Very large barn on lot. House is in Italianate
Style and remains a private residence.

MAP REFERENCE

USGS Quad St. Paul Park, Minn. Date 1967 Revised 1972 and 1980
Other _____ (Date) _____

STATEMENT OF SIGNIFICANCE National _____ Regional _____ State XX Local _____

Is the Site or Landmark eligible for nomination to the Cottage Grove Register? Yes

Is there an imminent danger to the Historic Site or Landmark? No Describe the nature of the danger. _____

COMMENTS AND RECOMMENDATIONS

Handsome Italianate Style house, built at undetermined date between 1844 and 1871. An illustration in Andreas' Atlas (1874) shows the house with a front porch (removed prior to 1940). Rear corner porch added pre-1940.

Wood siding covered by asbestos shingles ca. 1943. Barn dates to 1947. Note: gable roofed side bays, floor-to-ceiling front windows, extended eaves, heavy cornices, scrolled brackets and tall, slender side windows. Recommend restoration of front porch and return to original siding.

MAJOR BIBLIOGRAPHICAL REFERENCES:

Andreas, Illustrated Historical Atlas

NAME OF PERSON FILLING OUT SURVEY FORM Robert C. Vogel

DATE 11 July, 1983

NOTES: Placed on National Register of Historic Places by MHS in 1982. SHPO dates construction 1871, owners suggest 1844. J. P. Furber (1830-1918) platted Cottage Grove April, 1871.

MINNESOTA HISTORIC PROPERTIES INVENTORY FORM

HISTORIC NAME:

COUNTY:

Washington

CURRENT NAME: Residence, ~~J.P.~~ F.B. Furber

CITY/TWP.: Cottage Grove

LEGAL DESC.:

ADDRESS:

7310 Lamar

T R $\frac{1}{4}$ $\frac{1}{4}$ $\frac{1}{4}$

CLASSIFICATION:	CONDITION:	SIGNIFICANCE:	THEME/S:
Building <u> </u>	Excellent <u> </u>	Local <u> </u>	Primary <u> </u>
Structure <u> </u>	Good <u> </u>	State <u> </u>	Secondary <u> </u>
Object <u> </u>	Fair <u> </u>	National <u> </u>	Others <u> </u>
District <u> </u>	Deteriorated <u> </u>		

OPEN TO THE PUBLIC: Yes No Restricted PRESENT USE:VISIBLE FROM THE ROAD: Yes No OCCUPIED: Yes No

DATE CONSTRUCTED:

ORIGINAL USE:

ORIGINAL OWNER:

ARCHITECT/BUILDER:

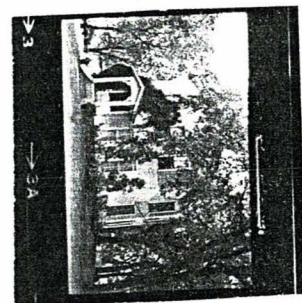
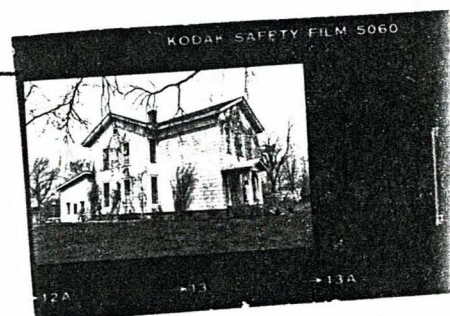
OWNER'S NAME AND ADDRESS:

ACREAGE: Less than one acre UTM REFERENCE:

LOCAL CONTACT/ORG.:

FORM PREPARED BY:

DATE:





0860
3a

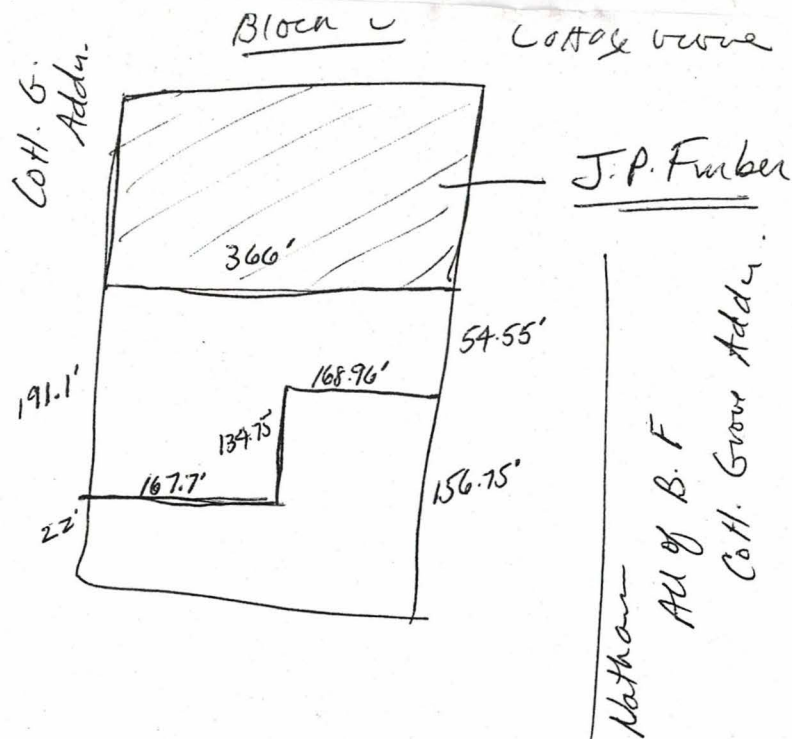
NO. 1
18
1898

Handwritten notes

NOTICE: This material may be protected
by copyright law (Title 17 U. S. Code).

FROM THE COLLECTIONS OF THE
MINNESOTA HISTORICAL SOCIETY
THIS MATERIAL IS FOR RESEARCH USE
ONLY. IT MAY NOT BE REPRODUCED OR
SOLD WITHOUT WRITTEN PERMISSION

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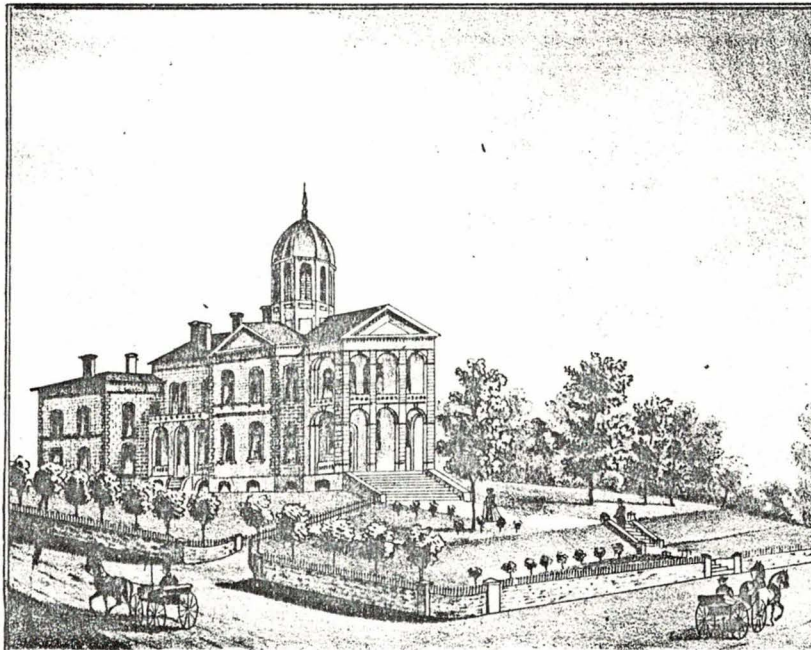


Furber -
1943 -

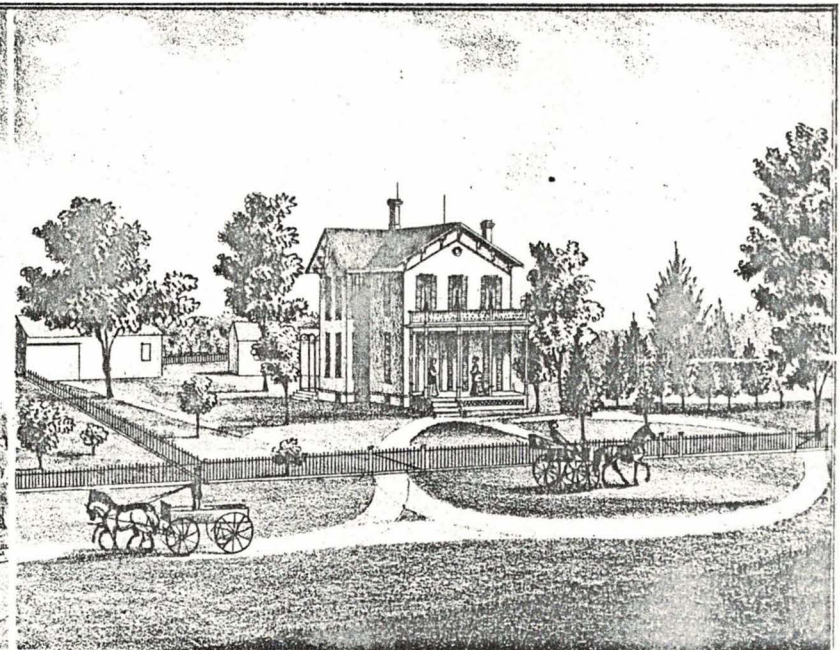
- 4 rooms - W. side
- front porch
- lean-to added
- cupboards in kitchen -
- painted woodwork
- otherwise no remodeling

- 1) Furber
- 2) Jones
- 3)

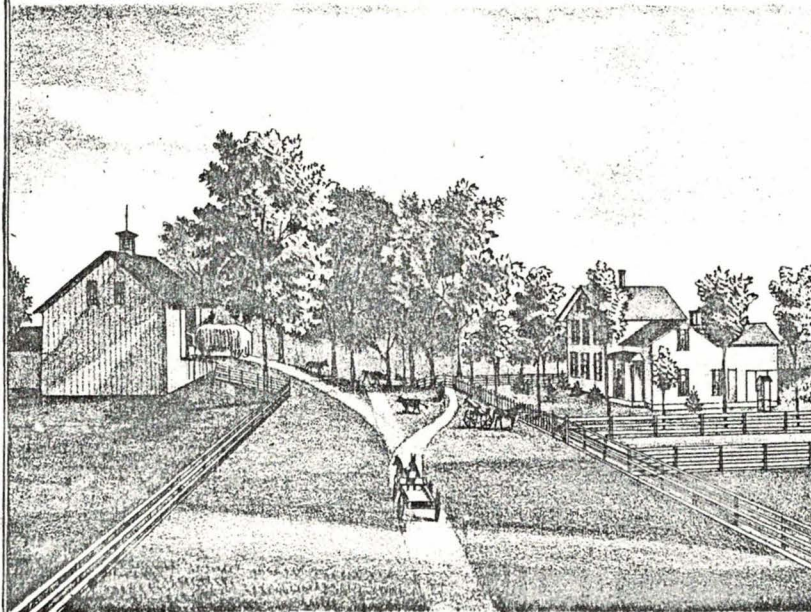
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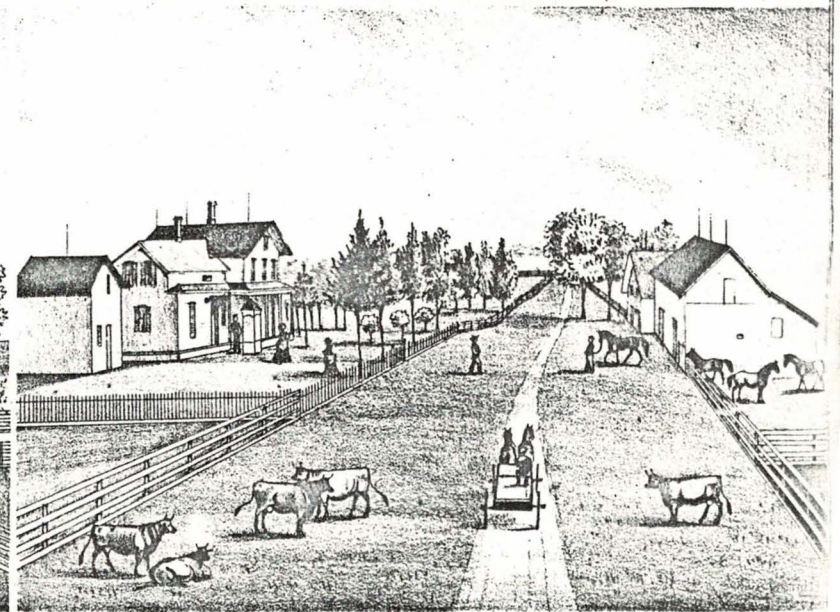
COURT HOUSE OF STILLWATER MINN.



RESIDENCE OF JOHN P. FURBER COTTAGE GROVE TP. WASHINGTON CO. MINN.



RES. OF O.V. COWELL. SEC. 6 COTTAGE GROVE TP. WASHINGTON CO. MINN.



RESIDENCE OF HENRY HOUSE SEC 3 COTTAGE GROVE TP. WASHINGTON CO. MINN

Furber

Lammers

Sauntry

JW Furber - MHS Scrapbook vol. 1 p. 121
[JP Furber - St. Paul Dispatch 19th Nov. 18 p. 7
obit

[Albert J. Lammers ~~St. Paul Dispatch 20 Aug. 20 p. 28~~
~~Mpls. Journal 18 Aug. 20 p. 11~~
~~Pioneer Press 18 Aug. 20 p. 9~~

[Sauntry St. P. Pioneer Press 11 Nov. 14 p. 1
Mpls. Trib. 11 Nov. 14 p. 1

Stillwater Trades Review - publ. 1898

Folson

Cottage Grove was platted in April, 1871 by
John P. and S.W. Furber, James Mc Cluskey,
Margaret M. Ellwell and Clarence Smith
Surveyor: J.W. Furber

Furbers from New Hampshire

JW - Cottage Grove in 1844

SW - " 1860

Theodore - " 1846

Neill

C.G. platted by J.P. Furber

Survey by JW

40 @

b. 1813

b. 1819

b. 1817

JW & SW - brothers & Theodore

[JP - born 1830] - from biog. card

(8)
Furber, John P., House
Cottage Grove, Washington
Co.



D-50

(9)
Furber, John P., House
Cottage Grove, Washington
Co.



7310 Lamon Ave

Furber, John P., House
Cottage Grove, Washington
Co.



71

Furber, John P., House
Cottage Grove, Washington
Co.



81

Furber, John P., House
Cottage Grove, Washington
Co.



60

Furber, John P., House
Cottage Grove, Washington
Co.



Furber, John P., House
Cottage Grove, Washington
Co.



Furber, John P., House
Cottage Grove, Washington
Co.



CITY OF COTTAGE GROVE, MINNESOTA
CITY COUNCIL
RESOLUTION 2025-164

**A RESOLUTION APPROVING ALTERATIONS MADE TO THE
HISTORICALLY REGISTERED JOHN P. FURBER HOUSE
LOCATED AT 7310 LAMAR AVENUE SOUTH**

WHEREAS, improvements and alterations are proposed to a historically registered structure known as the John P. Furber House, located on property legally described below:

Block "G" of the Village of Cottage Grove except that part of said Block "G" described as follows: beginning at the Southeast corner thereof, thence in a Westerly direction along the South line thereof 10 rods and 6 links; thence in a Northerly direction parallel with the East line of said Block "G" 9.5 rods, and thence in an Easterly direction and parallel with the South line of said Block "G" 10 rods and 6 links, and thence in a Southerly direction along the East line of said Block "G", 9.5 rods to the point of beginning. ALSO EXCEPTING all that part of Block "G" of Cottage Grove, as the same is on file and of record in the office of the Register of Deeds in and for Washington County, Minnesota, described as follows: Commencing at the southeasterly corner of Block "G" of the plat of "Cottage Grove", Washington County, Minnesota; thence northerly along the easterly line of said Block "G" for 156.75 feet to a square metal shaft in place, which is the point of beginning of this description; thence continuing northerly along said easterly line of Block "G" for 54.5 feet; thence westerly, parallel with the South line of said Block "G" for 366.0 feet to the West line of said Block "G"; thence southerly along said West line of Block "G" for 191.1 feet to its intersection with a line drawn parallel with said South line of Block "G": at a distance of 22.0 feet northerly therefrom; thence easterly along said parallel line of 167.7 feet to a point which is 168.96 feet westerly of the easterly line of said Block "G"; thence northerly and parallel with said easterly line of Block "G" for 134.75 feet; thence easterly and parallel with said southerly line of Block "G" for 168.96 feet to the point of beginning, Washington County, Minnesota.

Commonly known as 7310 Lamar Avenue South, Cottage Grove, Washington County, State of Minnesota.

WHEREAS, the following are the proposed improvements to the Historic John P. Furber House:

- 1) Pending condition of the original siding, repair or replace with a modern material that resembles the original.
- 2) Repair or replace the windows, while keeping their original look.
- 3) Repairing or replacing external decorative features to maintain historic integrity.
- 4) Make interior repairs and changes that would not affect the historical features of the site, which are listed in the historical significance document created by the National Park Service.

WHEREAS, the Advisory Committee on Historic Preservation reviewed this proposal at their meeting on October 14, 2025; and

WHEREAS, a staff report which detailed specific information about the property and proposal was prepared and presented; and

WHEREAS, the Advisory Committee on Historic Preservation unanimously (4-to-0 vote) recommended that the City Council approve the proposed alterations and improvements to the John P. Furber House as outlined in the proposal letter dated October 9, 2025.

NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Cottage Grove, Washington County, Minnesota, hereby approves the alterations and improvements proposed to the John P. Furber House

BE IT FURTHER RESOLVED, the recommendation for approval is subject to the following conditions:

1. The conditions of approval in Resolutions 2013-129, 2013-130, and 2018-103 shall be complied with.
2. No additional uses are permitted beyond the existing resolutions for wedding services.
3. Any additional modifications to the Historic Furber Home shall be reviewed by the Advisory Committee on Historic Preservation, Planning Division, and Building Division.
4. All applicable permits (i.e.; building, electrical, grading, mechanical) must be completed, submitted, and approved by the City prior to the commencement of any licensed activities. Detailed construction plans must be reviewed and approved by the Building Official.
5. Any plumbing or septic system modifications shall be reviewed and inspected by the Washington County Health Department.
6. Any new signage on the property is required via permit.
7. A rental license from the City shall be secured for any short-term rental use of the John P. Furber House. Short-term rental use shall not violate the conditions in Resolutions 2013-129, 1013-130, and 2018-103.

Passed this 19th day of November 2025.

Myron Bailey, Mayor

Attest:

Tamara Anderson, City Clerk



City Council Action Request

7.P.

Meeting Date	11/19/2025				
Department	Community Development				
Agenda Category	Action Item				
Title	Old Town Hall Service Agreement				
Staff Recommendation	Approve the professional services agreement between the City and Medicine Wood Inc. to occupy and make improvements to the Old Town Hall located at 9550 Islay Avenue South.				
Budget Implication	N/A				
Attachments	<table><tr><td>1.</td><td>Old Town Hall Agreement CC Memo</td></tr><tr><td>2.</td><td>Old Town Hall Agreement</td></tr></table>	1.	Old Town Hall Agreement CC Memo	2.	Old Town Hall Agreement
1.	Old Town Hall Agreement CC Memo				
2.	Old Town Hall Agreement				

TO: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

FROM: Max Erickson, Planner

DATE: November 12, 2025

RE: Old Town Hall Service Agreement



Old Town Hall Building 2025

Jake Jones with Medicine Wood Inc. has taken an interest in and proposed attempting to repair and restore sections of the building by providing the labor required to repair it without cost. In exchange he would utilize the structure for his business while the work is being completed.

Agreement

The agreement outlines that prior to occupying the structure, Mr. Jones agrees to conduct a complete evaluation of the building, outline aspects of the structure that contribute to the historic integrity and provide a plan for repairing the structure. The agreement requires that prior to occupation of the structure, repairs must be made to the roof, and the electrical system must be updated.

During the tenure of the agreement and post initial repairs, Mr. Jones and Medicine Wood Inc. must develop a restoration plan for any additional improvements, which will be reviewed by staff and the Advisory Committee on Historic Preservation (ACHP). The agreement requires regular progress reports and communication regarding any alterations being made by Medicine Wood Inc. This agreement has an expiration of three years, and extensions may be made by future agreements.

Recommendation

That the City Council approve the professional services agreement between the City and Medicine Wood Inc. to occupy and make improvements to the Old Town Hall located at 9550 Islay Avenue South.

AGREEMENT FOR SERVICES
OLD TOWN HALL RENOVATION

THIS AGREEMENT (“Agreement”) is made and executed this ____ day of _____, 2025, (“Effective Date”) by and between the City of Cottage Grove, 12800 Ravine Parkway South, Cottage Grove, Minnesota 55016, (“City”) and Medicine Wood, LLC, Jake Jones (“Contractor”).

WHEREAS, the City desires to rehabilitate and restore the Old Town Hall (“Structure”), a locally designated historic structure, which is located at 9550 Islay Ave. S., Cottage Grove; and

WHEREAS, Contractor has the necessary skills and experience to perform the rehabilitation and restoration of the Structure; and

WHEREAS, the City has accepted the proposal of the Contractor for certain services, as listed on Exhibit A; and

WHEREAS, Contractor desires to perform the services for the City under the terms and conditions set forth in this Agreement; and

WHEREAS, due to the specialty nature of the Services being performed, the willingness of the Contractor to perform the Services at a reduced rate and the equipment needed to perform the Services on site, the City is willing to allow Contractor to also occupy the Structure during the Term of the Agreement for use solely as a wood shop for his private business, Medicine Wood, a business committed to the preservation and restoration of historic structures.

NOW, THEREFORE, in consideration of the mutual consideration contained herein, it is hereby agreed as follows:

1. SERVICES.

- a. City agrees to engage Contractor as an independent contractor for the purpose of performing certain Services (“Services”), as defined in the following documents:
 - i. A list of Services identified on Exhibit A, incorporated herein (“Services”). (Hereinafter “Exhibit”).
 - ii. Where the terms and conditions of this Agreement and those terms and conditions included in the Exhibit specifically conflict, the terms of this Agreement shall apply.
- b. Contractor covenants and agrees to provide the Services to the satisfaction of the City in a timely fashion, as set forth in the Exhibit, subject to Section 9 of this Agreement.

- c. Contractor agrees to comply with all federal, state, and local laws and ordinances applicable to the Services to be performed under this Agreement, including all safety standards. Contractor shall be solely and completely responsible for conditions of the job site, including the safety of all persons and property during the performance of the Services. Contractor represents and warrants that it has the requisite training, skills, and experience necessary to provide the Services and is appropriately licensed and has obtained all permits from all applicable agencies and governmental entities.
2. PAYMENT. As consideration for providing the Services on Exhibit A, City shall allow Contractor to occupy and use the Structure as a wood shop during the Term of this Agreement at no charge. Such usage does not authorize Contractor to invite customers to the Structure or the City Property, but it shall be used solely for woodworking and similar type work for Contractor's business, Medicine Wood. Contractor shall be allowed to provide his own woodworking equipment and tools for such use, all of which shall be removed upon termination of this Agreement.
3. TERM. The term of this Agreement begins as of the Effective Date and terminates on September 17, 2028, unless terminated earlier pursuant to Section 6. This Agreement may be extended upon the written mutual consent of the parties for such additional periods as they deem appropriate, and upon the same terms and conditions as herein stated.
4. CONSTRUCTION MATERIALS AND TOOLS. The City shall purchase all construction material necessary for the Structure as determined by the Community Development Director in order for the Contractor to perform the Services in this Agreement. Such construction materials include, but are not limited to roofing, electrical, windows, siding, foundation, wood, and other materials that will be affixed to the Structure. The Contractor shall provide his own tools and equipment needed to perform the Services.
5. BONDS. If the Services provided by the Contractor as set forth in the Exhibit and this Agreement exceeds \$175,000, Contractor shall furnish performance and payment bonds covering faithful performance of all the Contractor's obligations, including, without limitation, warranty obligations and of all payment of obligations arising under this Agreement. The bonds shall each be issued in an amount equal to 100% of the stipulated sum identified in Section 2 of this Agreement.
6. TERMINATION AND REMEDIES.
 - a. Termination by Either Party. This Agreement may be terminated by either party upon thirty (30) days' written notice delivered to the other party at the addresses listed in Section 15 of this Agreement. Upon termination under this provision, if there is no default by the Contractor, Contractor shall be paid for Services rendered and reimbursable expenses incurred through the effective date of termination.

- b. Termination Due to Default. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure that is acceptable to the other party.
- c. Remedies. Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City as a result of any breach of this Agreement by the Contractor. The City may, in such event:
 - i. Withhold payments due to the Contractor for the purpose of set-off until such time as the exact amount of damages due to the City is determined.
 - ii. Perform the Services, in which case, the Contractor shall within thirty (30) days after written billing by the City, reimburse the City for any costs and expenses incurred by the City.

The rights or remedies provided for herein shall not limit the City, in case of any default by the Contractor, from asserting any other right or remedy allowed by law, equity, or by statute.

- d. Upon termination of this Agreement, the Contractor shall furnish to the City copies or duplicate originals of all documents or memoranda prepared for the City not previously furnished.
 - e. Upon termination of this Agreement the Contractor shall vacate the Structure and the City Property within 30 days of termination. Any personal property left in the Structure or City Property shall be deemed abandoned.
7. SUBCONTRACTORS. Contractor shall not enter into subcontracts for any of the Services provided for in this Agreement without the express written consent of the City, unless specifically provided for in the Exhibit. Contractor shall pay any subcontractor involved in the performance of this Agreement within the ten (10) days of the Contractor's receipt of payment by the City for undisputed services provided by the subcontractor.
8. STANDARD OF CARE. In performing its Services, Contractor will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time the Services are provided.
9. INSPECTION OF WORK. All materials and workmanship will be subject to inspection, examination, and testing by the City, who will have the right to reject defective material and workmanship or require its correction.
10. DELAY IN PERFORMANCE. Neither City nor Contractor shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable

control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or Contractor under this Agreement. If such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Contractor will be entitled to payment for its reasonable additional charges, if any, due to the delay.

11. CITY'S REPRESENTATIVE. The City has designated Max Erickson to act as the City's representative with respect to the Services to be performed under this Agreement. He or she shall have complete authority to transmit instructions, receive information, interpret, and define the City's policy and decisions with respect to the Services covered by this Agreement.

12. PROJECT MANAGER AND STAFFING. The Contractor has designated Jake Jones to be the primary contact for the City in the performance of the Services. He shall be assisted by other staff members as necessary to facilitate the completion of the Services in accordance with the terms established herein. Contractor may not remove or replace these designated staff without the approval of the City.

13. INDEMNIFICATION.

- a. Contractor and City each agree to defend, indemnify, and hold harmless each other, its agents and employees, from and against legal liability for all claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are caused by its negligent acts, errors, or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Contractor and City, they shall be borne by each party in proportion to its own negligence.
- b. Contractor shall indemnify City against legal liability for damages arising out of claims by Contractor's employees or subcontractors, including all liens. City shall indemnify Contractor against legal liability for damages arising out of claims by City's employees or subcontractors.

14. INSURANCE. During the performance of the Services under this Agreement, Contractor shall maintain the following insurance:

- a. Commercial General Liability Insurance, with a limit of \$2,000,000 for any number of claims arising out of a single occurrence.

- b. Workers' Compensation Insurance in accordance with statutory requirements.
- c. Automobile Liability Insurance, with a combined single limit of \$2,000,000.

Contractor shall furnish the City with certificates of insurance, which shall include a provision that such insurance shall not be canceled without written notice to the City. The City shall be named as an additional insured on the Commercial General Liability Insurance policy.

15. WARRANTIES. Contractor warrants and guarantees that title to all work, materials, and equipment covered by any invoice, will pass to City no later than the final completion date of all Services. Contractor warrants that all work will be free from defects and that all materials will be new and of first quality. If within one (1) year after final payment any work or material is found to be defective, Contractor shall promptly, without cost to the City, correct such defect.

16. NOTICES. Notices shall be communicated to the following addresses:

If to City: City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016
Attention: City Administrator

Or emailed: jlevitt@cottagegrovemn.gov

If to Contractor: Medicine Wood, LLC
9120 Grey Cloud Trail
St. Paul Park, MN 55071
Attention: Jake Jones

Or emailed: jake@medicinewood.com

17. INDEPENDENT CONTRACTOR STATUS. All services provided by Contractor, its officers, agents and employees pursuant to this Agreement shall be provided as employees of Contractor or as independent contractors of Contractor and not as employees of the City for any purpose.

18. RESPONSIBLE CONTRACTOR.

- a. In accordance with Minnesota Statutes, Section 16C.285, Contractor is hereby advised that the City cannot award a construction contract in excess of \$50,000 unless Contractor is a "responsible contractor" as defined in Minnesota Statutes, Section 16C.285, subdivision 3. Contractor must complete a Responsible Contractor Certificate verifying compliance with the minimum criteria specified in Minnesota Statutes, Section 16C.285, subdivision 3, to be eligible to provide the

Services outlined in this Agreement. A Responsible Contractor Certificate must be signed under oath by an owner or officer of Contractor. Contractor is responsible for obtaining the required verifications of compliance with Minnesota Statute, Section 16C.285, subdivision 3 from all subcontractors, using a form provided by the City. Contractor must submit signed verifications from subcontractors upon the City's request.

- b. Contractor or subcontractor who does not meet the minimum criteria established in Minnesota Statutes, Section 16C.285, subdivision 3, or who fails to verify compliance with the minimum requirements of this statute, will not be considered a "responsible contractor" and will be ineligible to provide the Services under this Agreement or otherwise work on the project in any capacity. Contractor and any subcontractor are advised that making any false statements verifying compliance with Minnesota Statutes, Section 16C.285 will render the Contractor or subcontractor ineligible to perform the Services of this Agreement and may result in termination of this Agreement by the City.
- c. Contractor shall not sublet, sell, transfer, delegate or assign the Services or any portion of the Services of this Agreement without abiding by the applicable provisions of the Minnesota Department of Transportation Standard Specifications for Construction, Section 1801.

19. GENERAL PROVISIONS.

- a. Assignment. This Agreement is not assignable without the mutual written agreement of the parties.
- b. Waiver. A waiver by either City or Contractor of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.
- c. Nondiscrimination. Contractor agrees that in the hiring of employees to perform Services under this Agreement, Contractor shall not discriminate against any person by reason of any characteristic protected by state or federal law.
- d. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota and any action must be venued in Washington County District Court.
- e. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both parties.
- f. Severability. If any term of this Agreement is found be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

- g. Data Practices Compliance. All data collected by the City pursuant to this Agreement shall be subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.
- h. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

[remainder of page intentionally left blank]

CITY OF COTTAGE GROVE

By: _____
Myron A. Bailey, Mayor

By: _____
Tamara Anderson, City Clerk

Date: _____

EXHIBIT A
LIST OF SERVICES

Contractor shall perform the following Services:

A. Prior to occupancy and use of the Structure by Contractor as provided in Section 2.e. Contractor shall:

1. Complete a full condition assessment of the Old Town Hall Structure and submit a report to the Community Development Director
2. Make all necessary electrical improvements to the Structure to the satisfaction of the Building Official and State Electrical Inspector
3. Replace the roof with historically accurate shake shingles to the satisfaction of the ACHP and the Building Official

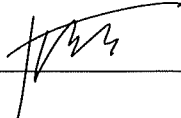
B. Ongoing Services throughout the Term of the Agreement:

1. Based on expertise, request and make emergency repairs to the Structure, as needed, to protect the integrity of the interior or exterior of the Structure, such as, but not limited to temporarily patching the roof.
2. Make recommendations to the Community Development Director regarding the type of work needed and construction materials needed for the Structure
3. Approve all orders for such construction materials
4. Cooperate with the City process to obtain any governmental required approvals for work to be completed to the Structure, including, but not limited to completing any applications, appearing before the Advisory Committee on Historic Preservation ("ACHP") or other boards, commissions, the City Council, or other agencies, or other processes deemed necessary by the Community Development Department in order to complete the Services.
5. Perform the work required to bring the Structure to a condition that is satisfactory to the Community Development Director. Payment and liability for any subcontractors needed for the Services shall be borne solely by the Contractor.

C. Additional Services that may be provided by Contractor by mutual agreement of the Contractor and Community Development Director:

1. Perform additional restoration to the Structure, involving the exterior or interior of the building, which may include, but is not limited to windows, siding and foundation, plaster repair, molding, and millwork
2. Provide education for the City Staff, City Council, Boards or Commissions on the renovation and rehabilitation of historic structures

MEDICINE WOOD, LLC

Signature:  _____
Jake Jones

Its: Owner of Medicine Wood LLC

Date: 11/12/2025



City Council Action Request

7.Q.

Meeting Date	11/19/2025				
Department	Engineering				
Agenda Category	Action Item				
Title	County 19A/100 th Street Realignment – Local Road Improvement Program Grant Application				
Staff Recommendation	Adopt Resolution 2025-167 supporting the City’s Local Road Improvement Program grant application for the County 19A/100 th Street Realignment Project.				
Budget Implication	N/A				
Attachments	<table><tr><td>1.</td><td>Memo - LRIP Grant Application council memo</td></tr><tr><td>2.</td><td>2025 LRIP_Cottage Grove Resolution</td></tr></table>	1.	Memo - LRIP Grant Application council memo	2.	2025 LRIP_Cottage Grove Resolution
1.	Memo - LRIP Grant Application council memo				
2.	2025 LRIP_Cottage Grove Resolution				



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Paul Sponholz, City Engineer

Date: November 14, 2025

Re: County 19A/100th Street Realignment – Local Road Improvement Program Grant Application

Background

In 2019, Washington County began a planning study related to a future arterial roadway to be developed in the southwestern area of the County, within the City of Cottage Grove. The primary driver of this study was to address the lack of arterial roadways in this area of the County. The County worked with several partners on this project including Cottage Grove, St. Paul Park, Grey Cloud Island Township, and the South Washington Watershed District. In April of 2021, the final study, the Southwest Arterial Study, was approved by the City Council.

Since that time, this southern area of Cottage Grove has seen a rapid acceleration of both industrial and residential development. Due to this, the City and County are working to implement the first phase of the Southwest Arterial Study. This will involve the realignment of County 19A and 100th Street to provide a direct connection from Highway 61 into the Business Park. This project would also include the construction of a bridge over the CPKC Railroad, which is critical to allow for unhindered access for logistics and distribution businesses.

Discussion

Preliminary design work has been completed for this project. While the City and County have started final design, construction costs are not fully funded at this point. To date, the City and County have received \$13.667 million in grant funding. The City and County are working to obtain additional funding through multiple sources including Federal and State grants and bonding. Along those lines, Cottage Grove is leading the effort to submit a grant application to the state Local Road Improvement Program (LRIP). LRIP is allocating \$47,000,000 state-wide to provide funding assistance to counties, cities, and townships to construct or reconstruct local roads with local, regional, or statewide significance. The application is due December 12, 2025.

As part of the application, a resolution from the City Council is required. Based on the preferred design alternative that has been selected, the total project cost shown in the grant is \$46,900,000. The City will request the maximum grant award amount of \$1,500,000.

Recommendation

It is recommended that the City Council adopt Resolution 2025-167 supporting the City's Local Road Improvement Program grant application for the County 19A/100th Street Realignment Project.

CITY OF COTTAGE GROVE, MINNESOTA
CITY COUNCIL
RESOLUTION 2025-167

**A RESOLUTION AUTHORIZING THE CITY OF COTTAGE GROVE TO APPLY FOR
THE 2025 LOCAL ROAD IMPROVEMENT PROGRAM FOR THE SOUTHWEST
ARTERIAL PHASE 1 PROJECT**

WHEREAS, the Minnesota Department of Transportation (MnDOT) has announced its latest competitive state funding opportunity through the FY 2026-2028 Local Road Improvement Program (LRIP) allocating \$47,000,000 to provide funding assistance to counties, cities, and townships to construct or reconstruct local roads with local, regional, or statewide significance.

WHEREAS, the City of Cottage Grove is experiencing significant growth and modernization, presenting challenges in replacing aging infrastructure, managing increasing traffic congestion, and enhancing safety, while simultaneously supporting a period of diverse population expansion and job creation; and

WHEREAS, a 2019 study conducted by Washington County (the “Study”) documented a lack of roadways specifically serving an area of growing industrial and residential development near Jamaica Avenue and Trunk Highway 61, a pivotal intersection for the community and region; and

WHEREAS, the Study recommended the solution to congestion and safety concerns is the construction of a new arterial roadway that would also require the realignment of the existing 100th Street and County Road 19A, the intersection reconstruction of County Road 19A and Trunk Highway 61 and the construction of a railroad bridge to provide a grade-separated crossing over Canadian Pacific’s rail line (hereinafter referred to as the “Southwest Arterial Project”); and

WHEREAS, the Southwest Arterial Project will serve as the main transportation route to Trunk Highway 61 from this growing area of the community, will greatly reduce congestion, increase capacity, and relieve stress at the Jamaica Avenue and Highway 61 interchange and provide a much-needed additional access point to the City’s Industrial Park; and

WHEREAS, there has been unprecedented new growth in the City’s Industrial Park, including the new NorthPoint Development, a 3.4 million square foot industrial park that will bring 1,200 jobs to the community, and by Renewal by Anderson which completed a 330,000 square foot expansion with an additional 100,000 square foot development for a warehouse and distribution center; and

WHEREAS, residential development in this same area is also seeing growth with several potential development projects planned that will add nearly 1,000 additional

residential units and include a variety of housing stock and affordability tiers with single-family lots, smaller lots for active adults, townhomes and apartments; and

WHEREAS, the Southwest Arterial Project is both locally and regionally significant as it is directly improving the access to the main thoroughfare of Trunk Highway 61 that connects the City of Cottage Grove northerly to the Twin Cities Metro Area as well as to the southern regions of the State; and

WHEREAS, this critical corridor is essential to the mobility of the City's workforce, supply chain industries, and future bus transit investments; and

WHEREAS, by reducing traffic congestion and increasing safety, the Southwest Arterial Project will have a substantial and immediate impact by providing efficiencies in mobility, accessibility and connectivity to travelers, residents, workforce, and industries; and

WHEREAS, Washington County is leading the innovative Southwest Arterial Project, in partnership with the City of Cottage Grove, which aims to increase workforce development opportunities, enhance community connectivity, and remove barriers to opportunity; and

BE IT FURTHER RESOLVED that the City of Cottage Grove has significant financial contributions to the project and the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds and adequate construction of the proposed project.

BE IT FURTHER RESOLVED that upon approval of its application by the state, the City of Cottage Grove may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED The City of Cottage Grove certifies that it will comply with all applicable laws, regulations, and rules associated with the LRIP program.

NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Cottage Grove, in partnership with County of Washington, State of Minnesota, is hereby authorized to apply for and execute the necessary documents for the LRIP to request funding for the Southwest Arterial Phase 1 Project.

Passed this 19th day of November 2025.

Myron Bailey, Mayor

Attest:

Tamara Anderson, City Clerk



City Council Action Request

7.R.

Meeting Date	11/19/2025						
Department	Engineering						
Agenda Category	Action Item						
Title	80th Street (TH 61 to Ideal Ave), East Point Douglas Road (80th Street South to Tee Intersection), and TH 61/80th Street Interchange Rehabilitation – Approve Feasibility Report and Call for Public Hearing						
Staff Recommendation	Approve Feasibility Report and Call for Public Hearing for the 80th Street (TH 61 to Ideal Ave), East Point Douglas Road (80th Street South to Tee Intersection), and TH 61/80th Street Interchange Rehabilitation Project.						
Budget Implication	The estimated total project cost is \$17,290,169.88. The total preliminary assessment amount based on the special benefit appraisals is \$1,549,400. The remaining costs will be funded with a \$5,000,000 federal grant, \$1,807,150 in TIF funds, \$5,286,025 from MnDOT and the County for their portion of the project, \$50,480 in water and sewer utility funds, and \$3,596,945 from the Municipal State Aid Funds.						
Attachments	<table><tr><td>1.</td><td>Memo - 80th Street Rehabilitation approve FB and call for PH</td></tr><tr><td>2.</td><td>80th Street Rehabilitation - Approve FR and Set Public Hearing Date Resolution</td></tr><tr><td>3.</td><td>131481 Feasibility Report-11-03-2025</td></tr></table>	1.	Memo - 80th Street Rehabilitation approve FB and call for PH	2.	80th Street Rehabilitation - Approve FR and Set Public Hearing Date Resolution	3.	131481 Feasibility Report-11-03-2025
1.	Memo - 80th Street Rehabilitation approve FB and call for PH						
2.	80th Street Rehabilitation - Approve FR and Set Public Hearing Date Resolution						
3.	131481 Feasibility Report-11-03-2025						



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Paul Sponholz, PE, City Engineer

Date: November 14, 2025

Re: 80th Street (TH 61 to Ideal Ave), East Point Douglas Road (80th Street South to Tee Intersection), and TH 61/80th Street Interchange Rehabilitation Project – Approve Feasibility Report and Call for Public Hearing

Background

Included in the Capital Improvement Plan for 2026 is the rehabilitation of 80th Street from Highway 61 to Ideal Avenue, which is the third and final phase of a ten-year plan to address poor road conditions on 80th Street from Highway 61 to Keats Avenue. On June 21, 2023, the City Council authorized a feasibility study for 80th Street from Ideal Avenue to Highway 61. On April 16, 2025, the City Council approved amending the scope of the feasibility study to include East Point Douglas Road from 80th Street to the T-intersection near Arby's.

The Minnesota Department of Transportation (MnDOT) was leading a project focused on reconstruction of the entrance and exit ramps at the interchange of 80th Street and Highway 61 to be completed in 2027 or 2028. Through discussions between City and MnDOT staff, it was determined the work should be coordinated and constructed in the same year in order to complete all of the construction in the area at once. As a result, it was decided to incorporate the interchange work into the 80th Street project and design, bid, and build the projects as one package.

An Open House Meeting was held for assessed property owners on November 13, 2025.

Discussion

Feasibility Report: Based on the Council's previous action, a feasibility report has been prepared. Upon this analysis, the project is felt to be physically and financially feasible. The feasibility report is enclosed for the Council's review.

Summary of Road and Infrastructure Improvements: The following is a summary of the road and infrastructure improvements proposed for the project:

- Rehabilitation of 80th Street from Highway 61 to Ideal Avenue.
- Rehabilitation of East Point Douglas Road from 80th Street to the T-intersection.
- Reconstruction of the 80th Street & Highway 61 ramps and intersections by MnDOT.
- Aesthetic enhancements to the 80th Street interchange and landscaped medians.
- Signal upgrades throughout the project corridor.

- Constructing dual left turn lanes on 80th Street at the Hardwood Ave/East Point Douglas Road signal.
- Lane modifications to southbound East Point Douglas Road at the Grove Plaza signal to allow for two thru lanes.

Both 80th Street & East Point Douglas Road are referred to as rehabilitation projects, since much of the curb, sidewalk, and median concrete are in good condition and will not be replaced. Full replacement of the pavement is proposed throughout the project area.

Project Funding Analysis: Detailed cost estimates for construction of the utility and street improvements have been prepared and itemized in Appendix A of the Feasibility Report. The estimated total project cost for the project is \$17,290,169.88.

Assessments for this project will be based upon the "Infrastructure Maintenance Task Force (ITMF) Special Assessment Policy for Public Improvements," dated September 30, 2005, and revised October 31, 2023. All benefiting properties are proposed to be assessed. The Interchange work is not assessed to parcels within this project. In addition, the rehabilitation of the City's PRV on 80th Street and the left and right turn lanes into Crestview Elementary and Park High School will not be assessed. The City has already collected \$294,815.00 from ISD 833 for construction of the turn lanes into the schools.

Per the IMTF policy assessment calculations, \$7,621,989.45 of the project costs would be assessed to benefiting properties. Appendix B provides a detailed breakout of those calculations.

Special Benefit Appraisals were conducted for the properties identified as benefiting from the project. The benefit appraisals cap the assessment for all properties. The total preliminary assessment amount based on the special benefit appraisals is \$1,549,400.

Appendix C depicts a revised funding strategy for the project. In summary, the project is funded with several sources, including a \$5,000,000 federal grant, \$1,807,150 in TIF funds, \$5,286,025 from MnDOT and the County for their portion of the project, \$50,480 in water and sewer utility funds, \$1,549,400 in proposed assessments, and \$3,596,945 from the Municipal State Aid Funds. The preliminary assessment roll is detailed in Appendix D.

Call for Public Improvement Hearing: The public improvements associated with the project will benefit properties in the project area. Therefore, for the costs to be assessed to all benefited properties, it will be necessary to hold a public hearing for the project. A hearing date of December 3, 2025, will afford the necessary time to publish legal notices and send out letters to the affected property owners.

Honorable Mayor, City Council, and Jennifer Levitt

80th Street (TH 61 to Ideal Ave), East Point Douglas Road (80th Street South to Tee Intersection), and TH 61/80th Street Interchange Rehabilitation

November 14, 2025

Page 2

Recommendation

It is recommended the City Council adopt Resolution 2025-168 approving the feasibility report, and establishing a December 3, 2025 public hearing date for the 80th Street (TH 61 to Ideal Ave), East Point Douglas Road (80th Street south to tee intersection), and TH 61/80th Street Interchange Rehabilitation project.

CITY OF COTTAGE GROVE, MINNESOTA
CITY COUNCIL
RESOLUTION 2025-168

**RESOLUTION APPROVING THE FEASIBILITY REPORT AND CALLING FOR
A PUBLIC HEARING FOR THE 80TH STREET (TH 61 TO IDEAL AVENUE), EAST POINT
DOUGLAS ROAD (80TH STREET TO TEE INTERSECTION, AND TH 61/80TH STREET
INTERCHANGE REHABILITATION**

WHEREAS, pursuant to Resolution No. 2023-083 passed by the City Council on June 21, 2023, the City Engineer was authorized to prepare a feasibility report for the 80th Street (TH 61 to Ideal Ave), and

WHEREAS, pursuant to Resolution No. 2025-062 passed by the City Council on April 16, 2025, the City Engineer was authorized to amend the scope of the feasibility study to include East Point Douglas Road (80th Street South to Tee Intersection), and

WHEREAS, the Minnesota Department of Transportation desires to make improvements to the TH 61/80th Street Interchange and will incorporate its plans into this project, and

WHEREAS, the feasibility report has been prepared and does find the construction of said improvements to be necessary, cost-effective, and feasible; and

WHEREAS, the City desires to assess the cost of said improvements to all benefited properties.

NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Cottage Grove, Washington County, Minnesota,

1. The feasibility report, which was prepared pursuant to Resolution No. 2023-083 and Resolution No. 2025-062 for the 80th Street (TH 61 to Ideal Avenue), East Point Douglas Road (80th Street to Tee Intersection), and TH 61/80th Street Interchange Rehabilitation finds the improvements to be necessary, cost effective, and feasible and is hereby approved.
2. The City Council will consider the improvement of such streets, traffic signals, sidewalks, trails, curb replacement, sanitary sewer, water main, storm sewer and lighting, in accordance with the feasibility report and the assessment of benefitting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429, at an estimated total cost of the improvements of \$17,290,169.88.
3. A public hearing shall be held on such proposed improvements on the 3rd day of December 2025 at 7:00 p.m. and the Clerk shall give mailed and published notice of such hearing and improvement as required by law.

Passed this 19th day of November 2025.

Myron Bailey, Mayor

Attest:

Tamara Anderson, City Clerk

80th Street Rehabilitation (T.H. 61 to Ideal Avenue)

East Point Douglas Road (80th Street south to Tee Intersection)

T.H. 61 / 80th Street Interchange

City of Cottage Grove, Minnesota
November 2025

Submitted by:

Bolton & Menk, Inc.
3507 High Point Drive North
Bldg. 1 Suite E130
Oakdale, MN 55128
P: 651-704-9970



Real People. Real Solutions.

3507 High Point Drive North
Bldg. 1 – Suite E130
Oakdale, MN 55128

Phone: (651) 704-9970
Bolton-Menk.com

November 3, 2025

Honorable Mayor and City Council
City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016

RE: 80th Street Rehabilitation (T.H. 61 to Ideal Avenue)
East Point Douglas Road (80th Street south to Tee Intersection)
T.H. 61 / 80th Street Interchange
BMI Project No. 0N1.131481

Honorable Mayor and City Council Members,

Enclosed for your review is the 80th Street Rehabilitation Feasibility Report. The project scope includes street rehabilitation and utility repairs on 80th Street from T.H. 61 to Ideal Avenue, East Point Douglas Road from 80th Street to the Tee Intersection, and at the T.H. 61 / 80th Street Interchange as identified in this report.

This report describes the improvements necessary within the project area. Cost estimates for the proposed improvements are presented in the report.

We would be happy to discuss this report at your convenience. Please contact me at 651-968-7674 if you have any questions.

Sincerely,

BOLTON & MENK, INC.

Michael Boex, PE

Certification

Feasibility Report

For

80th Street Rehabilitation
(T.H. 61 to Ideal Avenue)

East Point Douglas Road
(80th Street south to the Tee Intersection)

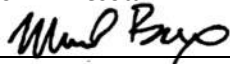
T.H. 61 / 80th Street Interchange

City of Cottage Grove, Minnesota

BMI Project No. 0N1.131481

PROFESSIONAL ENGINEER

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

Signature: 

Typed or Printed Name: Michael Boex

Date: 11/3/2025 License Number: 44576

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Appendix B: Cost Summary – Assessment Policy Calculations

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Figure 2 (A – C): Existing Conditions

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I. INTRODUCTION

The project consists of pavement rehabilitation / replacement, utility repairs / replacements, and other miscellaneous work as described in this report along 80th Street from T.H. 61 to Ideal Avenue, along East point Douglas Road from 80th Street south to the tee intersection, and the T.H. 61 / 80th Street Interchange exit and entrance ramps. 80th Street from T.H. 61 to Ideal Avenue is a 4-lane roadway of critical importance to the City of Cottage Grove. The roadway connects residential neighborhoods in Cottage Grove to the Gateway North Commercial District along East Point Douglas Road and Hardwood Avenue, Park High School, Crestview Elementary School, Cottage Grove Ice Arena, and Highway 61. 80th Street is the most travelled city street in Cottage Grove, with over 23,000 vehicles per day traveling on the west end near the commercial area and Highway 61. Traffic volumes are expected to increase with additional adjacent multi-family and commercial developments.

80th Street is classified as a minor arterial in the City's comprehensive plan and is a part of the City's Municipal State Aid (MSA) street system. The corridor from Highway 61 to Keats Avenue has been identified for improvements on the City's Capital Improvement Plan (CIP) since 2012. In 2016, a pavement rehabilitation was performed between Ideal Avenue and Jamaica Avenue. In 2020, a full reconstruction was performed between Jamaica Avenue and Keats Avenue. The third and final segment of roadway from Highway 61 to Ideal Avenue has been delayed due to funding shortfalls and is currently programmed for construction in 2026 according to the City's 2025-2029 CIP. To help advance the project, Federal funding for the project was applied for and obtained as part of the Consolidated Appropriations Act of 2023.

East Point Douglas Road, from 80th Street south to the three-legged tee intersection of East Point Douglas Road, is a 4-lane divided roadway and is also on the MSA street system. The road is classified as a minor arterial. The roadway provides direct access to the Gateway North commercial area and carries more than 19,000 vehicles per day immediately south of 80th Street. The segment was originally planned for reconstruction in 2027 along with the remainder of East Point Douglas Road to the southeast, however the construction schedule was adjusted to correlate with the work along 80th Street as both project scopes are similar and traffic impacts can be managed together.

The Minnesota Department of Transportation (MnDOT) was leading a project focused on reconstruction of the entrance and exit ramps at the interchange of 80th Street and Highway 61 to be completed in 2027 or 2028. Through discussions between City and MnDOT staff, it was determined the work should be coordinated and constructed in the same year in order to complete all of the construction in the area at once. As a result, it was decided to incorporate the interchange work into the 80th Street project and design, bid, and build the projects as one package. The detailed scope, history, and proposed design elements of the interchange and ramps are not covered in this report, although costs are included in the overall project costs presented.

The purpose of this report is to evaluate the work required for the construction of street and utility improvements, and to provide an estimate of costs to determine the physical and economic feasibility.

Figures depicting the general location of the project within the City, existing and proposed conditions, street improvement history, and assessable parcels are included in the Appendix.

The City Council authorized preparation of this report to determine the feasibility of the project. If the City decides to proceed with the proposed street and utility improvements as described in this report, it is anticipated construction would begin in spring of 2026 as shown in the project schedule found in Section VII.

II. EXISTING CONDITIONS

80TH STREET

The section of 80th Street from Highway 61 to 480-feet east of Hardwood Avenue was constructed in 1982 in conjunction with the highway overpass. Construction plans indicate the pavement section consisted of 7.25" of bituminous pavement over 12" of sand (select granular borrow). This section of the roadway received a mill and overlay in 1998 in conjunction with the full reconstruction of the eastern portion from 480-feet east of Hardwood Avenue to Ideal Avenue. The eastern portion was reconstructed with 6" of bituminous pavement over 12" of aggregate base class 5. The bituminous pavement is now beyond its design life and due to the increased traffic growth in the community, the condition of the pavement is in dire need of replacement. Along with large transverse cracking and pothole patching, rutting has been observed throughout the corridor within the wheel paths. This condition is believed to be limited to the existing bituminous pavement and is not extended into the subgrade. The rutting has been a significant concern to public works staff and has interfered with effective snow removal along this roadway. Due to the deteriorated condition of the pavement, the project proposes to replace the existing bituminous pavement section and perform spot curb and sidewalk repairs.

A key part of this project will be replacing failing infrastructure, but it will also make required Americans with Disabilities Act (ADA) improvements throughout the corridor. The project will also include upgrading the traffic signals at major intersections along the corridor, including Hardwood Avenue / East Point Douglas Road, Hinton Avenue, and Hyde Avenue. This is critical to address traffic issues and ensure the continued vitality of the Gateway North Commercial District.

The intersection of 80th Street and Hardwood Avenue has experienced delays for both eastbound and westbound left turns. In 2016, the left turn lanes on 80th Street were both lengthened to provide additional stacking distance such that they were less likely to back up into the through lanes during peak hours. Since 2016, the Gateway North commercial district has continued to redevelop. It is anticipated that additional development or redevelopment in the area will exceed the capacity of these turn lanes.

The intersections of 80th Street and Hinton Avenue, and 80th Street and Hyde Avenue, are adjacent to Park High School, the Cottage Grove Ice Arena, and Crestview Elementary School. 80th Street and Hinton Avenue is a primary access for student pedestrians and bicyclists from the west, south, and north. It is in need of improvements for increased pedestrian safety. The southbound approach also experiences significant backups during the AM peak hours that have been increasing due to surrounding redevelopment, putting a strain on traffic operations and backups. 80th Street and Hyde Avenue is an outdated traffic signal system that serves a six-legged intersection and is a primary access point to both the High School and the neighborhood to the south. Due to the six-legs, there are inefficiencies in the signal operations and safety concerns that would be mitigated with a different signal operation and infrastructure setup. The intersection also is used by student pedestrians and bicyclists to access the school from the east and south.

80th Street provides critical local and regional connectivity for residents and businesses in Cottage Grove, and Washington County at large. This role is expected to increase over the next 20 years as business and residential expansion continues in the area. Average Annual Daily Traffic (AADT) for 80th Street within the project area is currently estimated to grow from 2026 to 2046 as summarized below.

Table 2.1 – 80th Street Estimated AADT			
Segment	2023 AADT (Counts)	2026 AADT (Estimated)	2046 AADT (Estimated)
TH 61 to East Point Douglas Rd	23,410	23,760	26,100
East Point Douglas Rd to Hemingway Ave	17,690	17,950	19,720
Hemingway Ave to Hinton Ave	15,930	16,170	17,760
Hinton Ave to Ideal Ave	13,430	13,630	14,970

Various geotechnical testing was completed in 2015 to evaluate pavement section thickness and strength. Ground Penetrating Radar (GPR) was used to determine the in-place pavement and aggregate base thicknesses. Coring of the pavement was performed to verify and correlate the thicknesses obtained from the GPR results and evaluate condition of the in-place bituminous. Soil borings were taken to determine pavement and aggregate base thicknesses and identify the subgrade soils and potential R-values. Falling Weight Deflectometer (FWD) testing was performed to evaluate pavement layer stiffness and strength and obtain the subgrade R-value. The R-value is representative of the ability of a soil to resist lateral spreading due to an applied vertical load from traffic. In addition to the geotechnical testing, city staff dug test pits to better identify the type of materials underlying the bituminous pavement. The following Tables 2.2 through 2.5 summarize the results of the geotechnical testing.

Table 2.2 – 80th Street Existing Street Section (Cores)			
Core/Boring	Location	Bituminous (in)	Subgrade Soil Type
C8/ST-16	61-Hardwood*	8.0	SP-SM, SM
C7/ST-15	Hardwood-Hemingway	8.25	SP-SM, SC
ST-14	Hardwood-Hemingway	7.5	SP-SM
ST-13	Hemingway-Hinton	9.0	SP-SM, SM
C6/ST-12	Hinton-Ideal	6.5	SP-SM
ST-11	Hinton-Ideal	8.0	SM
Average		7.9	

*Due to significant material stripping in the pavement core, an accurate thickness measurement could not be obtained. The thickness provided in the table was measured in the field during boring.

Table 2.3 – 80 th Street Existing Street Section (GPR)								
Location	Direction	Lane	Bituminous (in) ¹			Base (in) ²		
			Ave	CV ³	15 th %	Ave	CV ³	15 th %
TH 61 to 480' E of Hardwood	EB	Inside	8.6	8%	7.6	7.9	28%	5.5
TH 61 to 480' E of Hardwood	EB	Outside	8.6	8%	7.9	5.8	22%	4.8
TH 61 to 480' E of Hardwood	WB	Inside	8.4	8%	7.8	9.3	11%	8.5
TH 61 to 480' E of Hardwood	WB	Outside	8.7	9%	7.7	6.3	21%	4.9
Average			8.6		7.8	7.3		5.9
480' E of Hardwood to Ideal	EB	Inside	6.9	7%	6.5	9.6	22%	7.5
480' E of Hardwood to Ideal	EB	Outside	6.8	6%	6.5	9.5	24%	7.2
480' E of Hardwood to Ideal	WB	Inside	6.4	9%	5.8	9.3	11%	8.3
480' E of Hardwood to Ideal	WB	Outside	6.6	9%	6.2	8.8	14%	7.6
Average			6.7		6.3	9.3		7.7

1. Average depth reported by GPR, see geotechnical report for additional details

2. Aggregate base depths can be difficult to measure with granular subgrades (see Table 2.5 for Base material)

3. Coefficient of Variation (CV) = Standard Deviation/Average

Table 2.4 – 80 th Street Existing Street Section (FWD)					
Location	Direction	Lane	Effective R		
			Ave	CV	15 th %
TH 61 to 480' E of Hardwood	EB	Inside	46.6	6%	44.7
TH 61 to 480' E of Hardwood	EB	Outside	46.6	6%	44.7
TH 61 to 480' E of Hardwood	WB	Inside	45.4	38%	31.3
TH 61 to 480' E of Hardwood	WB	Outside	41.6	37%	28.4
Average			45.1		37.3
480' E of Hardwood to Ideal	EB	Inside	42.8	51%	19.4
480' E of Hardwood to Ideal	EB	Outside	29.0	30%	19.5
480' E of Hardwood to Ideal	WB	Inside	32.4	22%	25.4
480' E of Hardwood to Ideal	WB	Outside	28.0	36%	17.6
Average			33.1		20.5

In 2023, the city dug additional test holes within 80th Street to verify the western portion of the roadway was constructed without an aggregate base layer as indicated in the plans. The results indicated the roadway was constructed without an aggregate base layer and confirmed the aggregate base depths indicated by GPR and initial core testing were misleading with the presence of granular subgrades. Test Hole 2 was dug within the area reconstructed in 1998 and the material was tested and confirmed to be aggregate base class 5 as anticipated.

Table 2.5 – 80 th Street Existing Street Section (Test Holes)					
Test Hole	Location	Direction	Bituminous (in)	Base (in)	Base Material
4	61-Hardwood	WB	7.5	12.0	Select Granular
3	Hardwood-480' East	WB	9.5	10.0	Select Granular
1	Hardwood-480' East	EB	9.0	10.0	Super Sand
2	480' East-Hemingway	EB	6.75	15.0	Agg Base Class 5

EAST POINT DOUGLAS ROAD

East Point Douglas Road is a Municipal State Aid (MSA) street from 80th Street south to the tee intersection and was constructed in 1975. The plans indicate the pavement section consists of 7-inches of bituminous pavement over 3-feet of aggregate backfill. In 2002, some minor widening occurred for the southbound right turn lane at the commercial area and the remainder of the southbound lanes from 80th Street to the tee received a 1.5-inch mill and overlay. In 2017, the northbound right turn lane at 80th Street was constructed and a 1.5-inch mill and overlay of all lanes from 80th Street south through the first intersection was completed. Similar to 80th Street, the bituminous pavement is now beyond its design life and due to the increased traffic growth in the community, the condition of the pavement is in dire need of replacement. Existing sidewalks along both sides of the street are in good condition, however, most of the concrete curb and gutter needs to be replaced.

The traffic signal at the commercial entrances was upgraded in 2017 with the Hy-Vee redevelopment and only minor improvements to the signal are required as part of the project.

Average Annual Daily Traffic (AADT) for East Point Douglas Road within the project area is currently estimated to grow from 2026 to 2046 as summarized below.

Table 2.6 – East Point Douglas Road Estimated AADT

Segment	2023 AADT (Counts)	2026 AADT (Estimated)	2046 AADT (Estimated)
East Point Douglas Rd	19,100	19,400	21,400

Geotechnical testing was completed in 2020 to evaluate pavement section thickness and strength. Ground Penetrating Radar (GPR) was used to determine the in-place pavement and aggregate base thicknesses. Coring of the pavement was performed to verify and correlate the thicknesses obtained from the GPR results and evaluate condition of the in-place bituminous. Soil borings were taken to determine pavement and aggregate base thicknesses and identify the subgrade soils and potential R-values. Falling Weight Deflectometer (FWD) testing was performed to evaluate pavement layer stiffness and strength and obtain the subgrade R-value. The R-value is representative of the ability of a soil to resist lateral spreading due to an applied vertical load from traffic. The attached Tables 2.7 through 2.9 summarize the results of the geotechnical testing.

Table 2.7 – East Point Douglas Road Existing Street Section (Cores)

Core/ Boring	Location	Bituminous (in)	Subgrade Soil Type
B-6	East Point Douglas Rd (NB Right Lane)	8.25	A-2-4

Table 2.8 – East Point Douglas Road Existing Street Section (GPR)

Location	Direction	Lane	Bituminous (in)		
			Ave	CV	15 th %
East Point Douglas Road	NB	Outside	7.7	8%	7.1
East Point Douglas Road	SB	Outside	7.3	18%	5.8
Average			7.5		6.5

Note: There was no discernable base layer detected with the GPR. The base layer could have been deeper than the GPR limits.

Table 2.9 – East Point Douglas Road Existing Street Section (FWD)

Location	Direction	Lane	Effective R
East Point Douglas Road	NB	Outside	25.3

SIDEWALKS & TRAILS

An 8' wide concrete sidewalk exists along 80th Street for much of the corridor. No sidewalk currently exists along the north side of 80th Street between TH 61 and approximately 450' east (location of Culver's). This is mainly because the location of pedestrian facilities across the bridge over TH 61 are situated on the south side. Also, no sidewalk exists on the south side of 80th Street between Hemingway Avenue and Ideal Avenue due to the presence of the frontage Road. In most locations where the sidewalk is constructed immediately adjacent to the curb, a 2' wide buffer of exposed aggregate concrete is used to delineate the sidewalk from the street. The concrete sidewalks are generally in good condition; however, most driveway crossings are not ADA compliant. An 8' wide bituminous trail exists along the north side of 80th Street adjacent to the school properties between Hinton Avenue and Ideal Avenue. The trail pavement is over 25 years old and in need of replacement.

East Point Douglas Road has 6' wide concrete sidewalks on both sides of the street between 80th Street and the tee intersection. A 2' wide buffer of exposed aggregate concrete is used to delineate the sidewalk from the street in most locations. There are also some small areas of stamped colored concrete between the curb and sidewalk along this corridor. The sidewalks were constructed mostly in 2005, with the exception of segments adjacent to Hy-Vee, and are generally in good condition with only spot repairs needed.

MEDIANS / LANDSCAPING

Both 80th Street and East Point Douglas Road are 4-lane divided roadways with turn lanes. Most of the medians along 80th Street are comprised of exposed aggregate concrete. A large, landscaped area consisting of a mixture of perennials, shrubs, trees, and turf grass is located just east of TH 61 which provides an inviting entrance to the Gateway North commercial area from the highway. Several other landscaped beds are present within the medians between Hemingway Avenue and Ideal Avenue, including the areas between 80th Street and the south frontage road. The landscaped beds, especially within the center medians, have been difficult and costly to maintain considering the volume of traffic along the corridor and need improvement. The concrete median along East Point Douglas Road was constructed in 1975 and is in fair condition.

SANITARY SEWER

A small portion of the Thompson Grove sanitary sewer district intersects the project area on the west end of the project near Highway 61. The district serves the properties off East Point Douglas Road west of Hardwood Avenue, such as The Legends of Cottage Grove and White Pine Senior Living, and also the commercial area located in the southwest quadrant of 80th Street and East Point Douglas Road. The remaining areas of the project are served by the West Draw sanitary sewer district.

Lateral and trunk sewers within the project area provide service to the existing businesses, apartments, and schools, before flowing south and eventually across Highway 61. The existing sanitary sewer pipes in the project area were televised to evaluate pipe condition and the reports show that the pipe is generally in good condition. Structures were generally noted to be in good condition during the inspection.

WATERMAIN

A 12-inch cast iron pipe (CIP) trunk watermain currently extends the entire length of 80th Street within the project area. The main was installed in 1963. The portion of the main from Hornell Avenue to Hynes Avenue was replaced in 1998 with 12-inch PVC due to issues with corrosive soils. Otherwise, the City public works staff has not had any major issues with the pipe and it is thought to be in good condition. 6-inch and 8-inch diameter mains feed into the residential and commercial areas adjacent to the project which provides service to the residents and businesses. Public works staff has operated the valves and hydrants in the project area and there are no major repairs needed.

The project spans two of the city's four pressure zones, the High Pressure and Intermediate Pressure Zones. An 8-inch Pressure Reducing Valve (PRV) is located at the junction between the two zones at Hornell Avenue. The valve and structure were relocated and replaced in 1998, and the valve is nearing the end of its useful life.

STORM SEWER

The project site is located within the city's Thompson Grove drainage area. The west portion of the project between Highway 61 and approximately 750' east of Hardwood Avenue drains west to a 72-inch diameter trunk sewer pipe. The trunk pipe flows south under 80th Street, then parallel with the westbound Highway 61 exit ramp, and then southwest under Highway 61 to the Hamlet Park ponding system. The lateral storm sewer system within this portion of the project was constructed in 1982 with the interchange project and many of the structures and castings were built to MnDOT standards. A pipe crossing conflict between the 27" RCP storm sewer pipe along the north curb line of 80th Street and the 18" trunk sanitary sewer pipe was mitigated at that time by constructing a storm sewer structure at the location of the crossing and installing the sanitary sewer pipe through the structure. Therefore, the 18" sanitary sewer pipe constricts the flow within the 27" storm sewer pipe. City staff has not had any maintenance issues with the configuration; however, the design should review options to reroute the storm sewer piping to avoid the trunk sanitary sewer pipe.

The area between 750' east of Hardwood Avenue and Henslowe Avenue drains west along 80th Street and then south through the Hy-Vee commercial area at the southeast corner of 80th Street and East Point Douglas Road. From there, the stormwater system flows west and connects to the trunk system before crossing Highway 61.

Stormwater between Henslowe Avenue and Ideal Avenue is collected within two systems along 80th Street that both flow south into and through the Thompson Grove Estates neighborhood. The western area collects drainage between Henslowe Avenue and Hynes Avenue, as well as the Crestview Elementary School site, and flows southwest from 80th Street through a 30-inch diameter trunk storm sewer pipe. The area between Hynes Avenue and Ideal Avenue is collected at the intersection of 80th Street and Hynes Avenue, flows east to Ideal Avenue, and then south into the Thompson Grove Estates neighborhood to pond TG-P3.

The system for the eastern portion of the project was reconstructed and expanded by the City in 1998.

East Point Douglas Road drains southerly from 80th Street south to the tee intersection. Catch basins at the tee intersection over the trunk storm sewer pipe collect the drainage from East Point Douglas Road. There are no intermediate catch basins along the 1,000-foot stretch between 80th Street and the tee intersection. City staff indicated some stormwater ponding does occur at the

low point at the tee intersection and improvements should be considered.

The existing storm sewer was televised to determine pipe condition and necessary repairs. In addition, storm structures were also inspected. Storm sewer mains are generally in good condition. All structures were generally in good condition with some miscellaneous structure patching, invert reconstruction, and other repairs noted during the inspections.

STREET LIGHTING

Direct buried concrete light poles exist along the entire length of 80th Street and East Point Douglas Road within the project limits, and they have been known to crack. Handholes are provided at each pole and buried conduits with wire connect to each handhole. The lighting along 80th Street is served by four service cabinets located at East Point Douglas Road, Hinton Avenue, Hynes Avenue, and Ideal Avenue. The lighting along East Point Douglas Road is served by a cabinet located at the northeast corner of the tee intersection.

III. PROPOSED IMPROVEMENTS

The following is a discussion of the proposed street and utility improvements proposed as part of the project:

STREETS

The intent of the project is to address the deteriorated pavement conditions on both 80th Street and East Point Douglas Road, as well as provide updates and repairs to surface infrastructure such as sidewalks and trails, pedestrian ramps, concrete curb and gutter, concrete medians, and signals. Major improvements along 80th Street include the following items:

- Conversion of the geometry at the intersection of 80th Street and East Point Douglas Road to provide dual left turn lanes in the eastbound and westbound directions
- Extension of the right turn lane off 80th Street just east of Highway 61 into the commercial area
- Replacement of the traffic signal at Hyde Avenue
- Upgrades to the traffic signal at Hinton Avenue
- Construction of a right turn lane and extension of the left turn lane at Crestview Elementary School
- Full rehabilitation of the bituminous pavement including reclamation and stabilization of the base materials

Supporting recent commercial and high-density residential development and redevelopment in the area, dual left turn lanes are proposed for eastbound and westbound 80th Street at the intersection with Hardwood Avenue and East Point Douglas Road. Dual left turn lanes allow for additional capacity and overall operational improvements as more vehicles can be stored and allowed to efficiently traverse through the intersection. In addition, signal timings can be adjusted to improve the overall functionality of the intersection in all directions. In conjunction with the geometry improvements, the signal at the intersection will be upgraded to accommodate the additional left turn lanes. Incorporation of APS into the signal components is also a requirement of the project to meet ADA standards.

The traffic signal at Hyde Avenue is proposed to be replaced as part of this project. The existing signal does not meet current standards and is intermixed with the stop-controlled intersection to the south at the frontage road, creating a safety concern. In addition, the existing eastbound right turn lane at Hyde Avenue is proposed to be removed with the project. This will allow for additional pedestrian refuge space and storage to increase safety for students and pedestrians waiting to cross 80th Street. It also provides for a shorter crossing of 80th Street which has many safety and operational benefits.

Upgrades to the signal at Hinton Avenue are proposed to meet current signal standards. The mast arms across 80th Street are proposed to be replaced to allow for signal heads to be placed over each lane.

Improvements to the Crestview Elementary School and Park High School sites have been proposed by the school district and will occur in 2025-2026. As a result, improvements to the 80th Street corridor are required. A new right turn lane to the elementary school and an extension of the existing left turn lane have been incorporated into the City's project. Additional improvements within the school sites are not included as part of this project.

Full rehabilitation of the bituminous pavement section is proposed with this project. The western portion of the project, originally constructed in 1982, was built without an aggregate base section and the bituminous pavement was placed directly onto a sand section. Replacement of only the bituminous pavement does not provide the structural capacity required due to the increased traffic anticipated in the area. Therefore, the proposed improvements for 80th Street from Highway 61 to Hinton Avenue include reclamation of the existing bituminous pavement and a portion of the underlying sand section to create a recycled aggregate base material. This would be followed by removal of 6" of the recycled aggregate base material to be used in other parts of the project, such as widening areas, or hauled offsite. The remaining recycled aggregate base would be stabilized by a combination of emulsion and cement, to increase the structural capacity of the material. Following the stabilization, 6" of bituminous pavement would be placed. The resultant section would meet the current and future traffic loadings over the next 20 years. Improvements to the section of 80th Street from Hinton Avenue to Ideal Avenue are similar, except the existing aggregate base section is not required to be stabilized to meet the anticipated traffic loading.

Table 3.1 – 80th Street Proposed Street Section

Location	20-yr ESAL's	Proposed Pavement Section				Reliability ¹	
		Bit (in)	SFDR (in)	Class 5 (in)	Sand (in)	Fatigue	Rutting
TH 61 to 480' E of Hardwood	3,478,000	6	4	-	9	100%	96%
480' E of Hardwood to Hemingway	2,530,000	6	4	8	-	100%	98%
Hemingway to Hinton	2,209,000	6	4	8	-	100%	99%
Hinton to Ideal	1,783,000	6	-	12	-	100%	99%

1. MnPave 7.1 results. A minimum of 90% reliability is recommended when ESAL's are between 1 million and 15 million.

Major improvements along East Point Douglas Road include the following items:

- Widening of East Point Douglas Road to accommodate the westbound 80th Street dual left turn lanes.
- Removal of the dedicated southbound right turn lane at the signal for the commercial entrances and conversion to a combined thru-right turn lane
- Upgrades to the traffic signal at the commercial entrances for the revised lane configuration

- Full rehabilitation of the bituminous pavement including reclamation and stabilization of the base materials

As discussed previously, dual left turn lanes along 80th Street are proposed at the intersection with East Point Douglas Road. Due to the additional left turn lane off 80th Street in conjunction with the existing dual left turn lanes for southbound East Point Douglas Road to Hy-Vee, minor widening is proposed for the southbound East Point Douglas thru lanes. In addition, conversion of the dedicated southbound right turn lane at the commercial entrance to a combined thru-right turn lane is proposed. These proposed improvements are expected to alleviate some of the confusion drivers currently experience in this segment by providing two thru lanes and two dedicated left turn lanes. By providing the additional southbound thru lane at the intersection, adjustments to the signal system heads are needed to properly align to the lanes.

Similar to the western portion of 80th Street, the existing bituminous pavement along East Point Douglas Road was constructed directly over the sand section. Therefore, full rehabilitation of the bituminous pavement with a stabilized base is proposed to provide the required structural capacity.

Table 3.2 – East Point Douglas Road Proposed Street Section

Location	20-yr ESAL's	Proposed Pavement Section				Reliability ¹	
		Bit (in)	SFDR (in)	Class 5 (in)	Sand (in)	Fatigue	Rutting
East Point Douglas Road	2,755,000	6	4	-	9	100%	96%

1. MnPave 7.1 results. A minimum of 90% reliability is recommended when ESAL's are between 1 million and 15 million.

SIDEWALKS & TRAILS

A 6' wide concrete sidewalk is proposed along the north side of 80th Street between Highway 61 and approximately 450' east (location of Culver's). This will fill the missing sidewalk link and provide additional pedestrian connectivity along 80th Street. As a result of this sidewalk, the existing free right turn lane from westbound 80th Street to northbound Highway 61 will be removed. MnDOT does not anticipate any operational issues as a result of removal of the free right turn.

The 8' wide bituminous trail along the north side of 80th Street adjacent to the school properties between Hinton Avenue and Ideal Avenue is proposed to be replaced as part of this project. The pavement will be removed and replaced; however, the aggregate base section underneath is proposed to remain in place.

Damaged sidewalk panels throughout 80th Street and East Point Douglas Road are proposed to be removed and replaced, while panels in good condition will remain. Some additional panels impacted by the light pole upgrades will be replaced as necessary.

MEDIANS / LANDSCAPING

The large, landscaped area and median located along 80th Street just east of Highway 61 is proposed to be replaced with a combination of rock mulch, perennials, stamped colored concrete, and brick pavers. No improvements to the irrigation system servicing this bed are proposed. The median appearance would be similar to, but not as extensive as the medians constructed in 2022 along Jamaica Avenue just north of Highway 61. The existing trees within the median are proposed to remain in place.

The median landscaped beds between Hemingway Avenue and Ideal Avenue, including both the center median and median between 80th Street and the south frontage road, are proposed to be improved. Wood mulch within the center median landscaped beds is proposed to be replaced with rock mulch and the existing shrubs replaced. Existing trees are proposed to remain in place. Portions of the landscaped beds between 80th Street and the frontage road are proposed to be replaced with concrete pavement, while the areas containing trees will be filled with new wood mulch. The concrete median along East Point Douglas Road is proposed to be replaced due to the proposed geometry improvements. Areas of existing exposed aggregate concrete between Highway 61 and 500' east of Hardwood Avenue are proposed to be replaced with stamped colored concrete pavement, while the remaining exposed aggregate concrete areas throughout the 80th Street corridor are proposed to remain in place, unless impacted by adjacent repair work such as spot curb and gutter replacement. Existing exposed aggregate concrete areas along East Point Douglas Road are proposed to be replaced with stamped colored concrete as most areas are directly adjacent to curb and gutter that will be removed and replaced.

SANITARY SEWER

Televising results indicated a stretch of 9-inch sewer along 80th Street just east of Highway 61 that needs to be lined. The sanitary sewer manhole castings in the project area will be salvaged and reinstalled, or replaced if necessary. The existing concrete adjusting rings will be replaced with new high-density polyethylene (HDPE) adjusting rings conforming to current City standards when adjustments are made to the new pavement grades. Minor repairs to the structures, such as patching cleaning, and reconstructing inverts, will be made as identified in the structure inspection reports.

WATERMAIN

It is proposed that broken valve box top sections be removed and replaced as a part of this project. Extensions are proposed for any hydrant barrels requiring adjustment. Hydrants will be reconditioned by sandblasting and painting, and concrete hydrant access pads are proposed in accordance with current City standards. Public Works staff has reviewed the condition of the Pressure Reducing Valve at Hornell Avenue and is recommending the piping system and valves within the structure be replaced.

STORM SEWER

The intent of this project is to rehabilitate the roadway pavement and not change existing drainage patterns. The proposed design includes replacing existing adjusting rings with new high-density polyethylene (HDPE) adjusting rings to conform to current City standards, adding 1- foot sections to structures that are buried or not flush with the finished ground, and repairing or replacing structures and castings that are in poor condition. Existing castings in good condition will be salvaged and reinstalled. Miscellaneous structure patching and other repairs will be performed as needed. Existing block structures within the project limits will be replaced with precast structures.

Additional catch basins and relocations are required along 80th Street for construction of the dual left turn lanes at Hardwood Avenue. Therefore, rerouting of the storm sewer in this area to mitigate the sanitary sewer and storm sewer pipe conflict, as well as collect drainage from the dual left turn lanes, is proposed. The sanitary sewer / storm sewer pipe conflict structure is proposed to be abandoned, eliminating the pipe constriction within the storm sewer system and reduce the risk of failure of the sanitary sewer pipe.

Since City staff indicated some stormwater ponding occurs at the low point at the tee intersection, additional storm sewer catch basins to meet MSA spread requirements for street volume and speed characteristics are proposed.

City staff is not aware of any other drainage issues along the 80th Street or East Point Douglas Road corridors. Figure 3 displays the proposed inlet locations and storm sewer layout throughout the project corridor.

STORM WATER QUANTITY AND QUALITY

Site specific stormwater rate and volume control, in addition to stormwater quality considerations, do not appear to be required for the City portion of the project as the sum of the new impervious and fully reconstructed impervious surfaces will not equal or exceed one acre. Therefore, state and local stormwater management requirements are satisfied within the scope of this project.

STREET LIGHTING

The existing street lighting units within the project area are proposed to be removed. Updated light poles and bases are proposed to be installed to achieve desired lighting levels and replace the outdated concrete poles. The existing conduit and wire is proposed to be reused wherever possible. Decorative poles and luminaires similar to the poles installed along 80th Street between Jamaica Avenue and Keats Avenue are proposed. Service cabinets will be replaced as necessary to meet the current city standards. Figure 4 depicts the proposed street lighting improvements throughout the corridor.

IV. PERMITS AND EASEMENT REQUIRED

REQUIRED PERMITS

If the project disturbs more than one acre of land, a Phase II General Storm Water Permit for Construction Activities from the MPCA and a Stormwater Pollution Prevention Plan (SWPPP) will be required. The associated interchange work appears to exceed these limits and therefore the permit is anticipated to be required. In addition, construction at the west end of 80th Street lies within MnDOT right-of-way and the proposed work will require approvals from MnDOT. This is anticipated to be addressed with MnDOT's review and approval of the construction plans.

REQUIRED EASEMENTS

All proposed public utility and street improvements are proposed to be located within existing public right-of-way and/or easements. Therefore, no additional right-of-way or easements are anticipated with this project.

V. ESTIMATED COSTS

Detailed cost estimates for construction of the utility and street improvements have been prepared and itemized in Appendix A. The estimated total project cost for the 80th Street, East Point Douglas Road, and TH 61 / 80th Street Interchange Improvements project is \$17,290,169.88. All costs are based on anticipated unit prices for the 2026 construction season. All costs include a twenty-five (25) percent allowance for indirect costs associated with the project (engineering, administrative, financing, and legal) as well as a ten (10) percent contingency. No costs are included for capitalized interest during the construction period or before assessments are levied.

The following is an overall summary of the estimated costs:

Table 5.1 – Preliminary Cost Estimate		
Improvements	Construction Cost¹	Total Project Costs ²
80th Street Improvements		
Streets	\$5,680,363.15	\$7,100,453.94
Sanitary Sewer	\$83,204.00	\$104,005.00
Water Main	\$92,653.00	\$115,816.25
Storm Sewer	\$353,633.50	\$442,041.88
Signals	\$1,039,060.00	\$1,298,825.00
Street Lighting	\$1,024,760.00	\$1,280,950.00
Subtotal - 80th Street	\$8,273,673.65	\$10,342,092.06
East Point Douglas Road Improvements		
Streets	\$960,212.00	\$1,200,265.00
Sanitary Sewer	\$0.00	\$0.00
Water Main	\$0.00	\$0.00
Storm Sewer	\$185,509.50	\$231,886.88
Signals	\$88,220.00	\$110,275.00
Street Lighting	\$95,700.00	\$119,625.00
Subtotal - East Point Douglas Road	\$1,329,641.50	\$1,662,051.88
MnDOT & County Interchange		
Streets	\$4,228,820.75	\$5,286,025.94
Subtotal - MnDOT & County Interchange	\$4,228,820.75	\$5,286,025.94
Total Project	\$13,832,135.90	\$17,290,169.88

1. Construction Costs include 10% contingency
2. Total Project Costs include 25% Indirect costs

COST ALLOCATION

Assessments for this project will be based upon the "Infrastructure Maintenance Task Force (IMTF) Special Assessment Policy for Public Improvements," dated September 30, 2005, and revised October 31, 2023. All benefiting properties are proposed to be assessed.

The MnDOT and Washington County portions of the interchange work are not assessed to parcels within this project. In addition, the rehabilitation of the City's PRV on 80th Street and the left and right turn lanes into Crestview Elementary will not be assessed. The City has already collected \$294,815.00 from ISD 833 for construction of the turn lanes into Crestview Elementary.

City or Non-Assessable Property:

Per the policy, 100% of the project costs adjacent to City-owned property are assessed to the property. In areas where other property is opposite City property, half of the street width was assigned to the other land use/property and the other half to the City. For this project, costs allocated to the City were those portions of 80th Street adjacent to the City's south frontage road,

approximately from Hemingway Avenue to Ideal Avenue (see Figure 7).

Commercial Property:

Per the policy, 100% of the project costs adjacent to commercial property are assessed. One-third of the project costs will be apportioned among the properties based on the lineal feet abutting the improved street surface, and two-thirds of the project costs will be apportioned based on the areas of the properties.

School Property:

For school property where students attend classes, 75% of the project costs are assessed, based on the front footage of the street being improved.

Residential Land Use:

Urban residential land use is considered to receive benefit if the property's main entrance has direct access to the street being improved. Per the Urban Residential policy, 45% of the project cost for both surface and subsurface improvements would be assigned to each individual residential lot on a unit basis¹. The amount assessed is based on the City standard street section even if the width is greater.

Summary:

The IMTF policy therefore allocates costs in the following manner:

Table 5.2 – IMTF Cost Summary					
Location	Commercial Assessed Amount	School Assessed Amount	Residential Assessed Amount	Other Funds	Estimated Project Cost²
80 th Street	\$4,232,901.81	\$1,604,847.46	\$122,188.31	\$4,382,154.49	\$10,342,092.06
East Point Douglas Rd	\$1,662,051.88	\$0.00	\$0.00	\$0.00	\$1,662,051.88
MnDOT & County Interchange	\$0.00	\$0.00	\$0.00	\$5,286,025.94	\$5,286,025.94
Totals:	\$5,894,953.68	\$1,604,847.46	\$122,188.31	\$9,668,180.43	\$17,290,169.88

Figure 7 depicts the assessable parcels for the project, and Appendix B depicts the project funding summary per the IMTF Assessment Policy.

Special Benefit Appraisal:

Special Benefit Appraisals were conducted for the properties identified on Figure 7. When the calculated assessment exceeds the special benefit appraisal, the assessment is proposed to be capped at the amount of the special benefit appraisal. When needed, City funds will cover the difference between the calculated assessment and the benefit appraisal. Since the benefit appraisals cap the assessment for all properties, Appendix C depicts a revised funding strategy for the project.

¹ Residential assessments are apportioned among benefited residential buildable lot equivalents (RBLE). Since this project involves a single residential parcel, the RBLE analysis does not factor in.

² Total Project Cost (10% contingency + 25% indirect)

VI. FINANCING

Assessments are proposed to be levied based on the City's current assessment policy. The remainder of the project would be financed through a combination of funds as described below.

Portions of the project would be financed through a combination of Federal Funds, TIF Funds, City funds, such as Enterprise funds for items such as watermain and sanitary sewer improvements, and MSA funds.

The federal funds consist of Congressionally Directed Funding through the Consolidated Appropriations Act of 2023 in the amount of \$5,000,000. The federal funds are planned to be applied to the construction costs only. These funds remain available for obligation (authorization) through September 30, 2026. For the federal funds to be obligated, the environmental documentation, construction plans / specifications, and right-of-way documentation will need to be reviewed and approved through the MnDOT State Aid (Federal Aid) office. This is scheduled to occur in December of 2025. Any such amounts not obligated on or before September 30, 2026, shall expire. Once the period for obligation has expired, these funds will only remain available for adjusting and liquidating obligations as authorized in accordance with title 31, United States Code (U.S.C.), section 1553. Obligated earmark balances are available for expenses properly charged to the account and incurred until September 30, 2031. After that date, any unexpended balances shall be cancelled in accordance with 31 U.S.C. 1552 and shall no longer be available for obligation or expenditure. With construction planned for 2026, funds should be expended prior to the funds expiring.

TIF Funds can be applied to items in this project that benefits development in the area. The following items are anticipated to be TIF eligible:

- Extension of the right-in-right-out lane on 80th Street near Dairy Queen
- Both dual left turn lanes on 80th Street (including associated median and storm sewer)
- Signal revisions at 80th St / East Point Douglas Rd and East Point Douglas Rd / Hy-Vee
- ADA improvements within the project limits

Lastly, both MnDOT and Washington County will participate in their respective costs for the interchange work, and ISD 833 has already contributed to the construction of the left and right turn lanes at Crestview Elementary School.

VII. PROJECT SCHEDULE

Below is the proposed schedule assuming starting construction in spring 2026:

- June 14, 2023 Council Orders Feasibility Report
- April 16, 2025 Council Orders Feasibility Report Scope Amendment
- May 21, 2025 Council Work Session
- June 4, 2025 Council Orders the Preparation of Plans and Specifications
- November 12, 2025 Neighborhood Meeting
- November 19, 2025 Council Adopts Feasibility Report
Council Sets a Public Improvement Hearing Date

- December 3, 2025 Council Holds Public Improvement Hearing
Council Orders Improvement
- January 7, 2026 Council Approves the Plans and Specifications, Sets Bid Date
- February 26, 2026 Project Bid Opening
- March 18, 2026 Contract Award
- Spring 2026 Begin Construction
- Fall 2026 Complete Construction
- Fall 2026 Council Sets Assessment Hearing Date
- October 2026 Council Holds Assessment Hearing

VIII. CONCLUSION AND RECOMMENDATIONS

Based on the information contained herein, it can be concluded that the construction of utility and street improvements is feasible. The improvements are necessary to replace failing infrastructure and improve traffic operations to the area. This project is cost effective based on existing conditions and acceptable standards proposed to construct the improvements.

From an engineering standpoint, this project is feasible, necessary, and cost effective.

The following recommendations are therefore made:

- Adopt this report as a guide for the layout and design for the proposed improvements
- Inform properties within the project limits of the project scope, schedule, and impacts

REQUEST FOR COUNCIL ACTION

- Approve this Feasibility Report and Set a Public Improvement Hearing Date for this project.

Appendix A: Preliminary Cost Estimate

COST ESTIMATE
80TH STREET REHABILITATION
EAST POINT DOUGLAS ROAD
T.H. 61/80th STREET INTERCHANGE
PROJECT NO. 0N1.131481
CITY OF COTTAGE GROVE, MINNESOTA

No.	Item	Units	Qty	EE Unit Price	EE Total Price
BASE BID					
1	MOBILIZATION	LUMP SUM	1	\$ 600,000.00	\$ 600,000.00
2	REMOVE CATCH BASIN OR MANHOLE	EACH	6	\$ 700.00	\$ 4,200.00
3	REMOVE SEWER PIPE (STORM)	LIN FT	641	\$ 30.00	\$ 19,230.00
4	SAWING BITUMINOUS PAVEMENT (STREET)	LIN FT	701	\$ 3.00	\$ 2,103.00
5	SAWING BITUMINOUS PAVEMENT (DRIVEWAY OR TRAIL)	LIN FT	280	\$ 3.00	\$ 840.00
6	SAWING CONCRETE PAVEMENT	LIN FT	270	\$ 6.00	\$ 1,620.00
7	REMOVE CONCRETE CURB AND GUTTER	LIN FT	9,155	\$ 3.50	\$ 32,042.50
8	REMOVE AND REPLACE CONCRETE CURB AND GUTTER (SPOT REPAIR)	LIN FT	2,185	\$ 45.00	\$ 98,325.00
9	REMOVE GUARDRAIL-TYPE 31	LIN FT	1,905	\$ 8.00	\$ 15,240.00
10	REMOVE AND REPLACE CONCRETE SIDEWALK	SQ YD	1,060	\$ 90.00	\$ 95,400.00
11	REMOVE CONCRETE MEDIAN	SQ YD	3,619	\$ 6.00	\$ 21,714.00
12	REMOVE CONCRETE WALK	SQ YD	118	\$ 2.00	\$ 236.00
13	REMOVE CONCRETE DRIVEWAY PAVEMENT	SQ YD	3,000	\$ 8.00	\$ 24,000.00
14	REMOVE CONCRETE PAVEMENT	SQ YD	10,473	\$ 22.00	\$ 230,406.00
15	REMOVE BITUMINOUS STREET PAVEMENT	SQ YD	737	\$ 6.00	\$ 4,422.00
16	REMOVE BITUMINOUS PAVEMENT (DRIVEWAY OR TRAIL)	SQ YD	2,700	\$ 5.00	\$ 13,500.00
17	REMOVE BITUMINOUS SHOULDER PAVEMENT	SQ YD	3,899	\$ 6.00	\$ 23,394.00
18	REMOVE CONCRETE SIDEWALK OR PEDESTRIAN RAMP	SQ FT	7,320	\$ 2.00	\$ 14,640.00
19	REMOVE SIGN AND POST	EACH	60	\$ 30.00	\$ 1,800.00
20	REMOVE SIGN PANEL	EACH	155	\$ 40.00	\$ 6,200.00
21	REMOVE LIGHTING UNIT	EACH	62	\$ 500.00	\$ 31,000.00
22	REMOVE LIGHTING HANDHOLE	EACH	46	\$ 350.00	\$ 16,100.00
23	REMOVE LIGHTING CABINET	EACH	5	\$ 550.00	\$ 2,750.00
24	ABANDON STRUCTURE (SANITARY)	EACH	3	\$ 5,000.00	\$ 15,000.00
25	REMOVE EXPOSED REBAR (SANITARY)	EACH	1	\$ 500.00	\$ 500.00
26	REMOVE LIFT CABLE (STORM)	EACH	1	\$ 500.00	\$ 500.00
27	REMOVE STEP (SANITARY)	EACH	1	\$ 250.00	\$ 250.00
28	REMOVE STEP (STORM)	EACH	5	\$ 250.00	\$ 1,250.00
29	REMOVE UNDERGROUND WIRE	LIN FT	900	\$ 1.00	\$ 900.00
30	ABANDON 27" RCP STORM SEWER	LIN FT	390	\$ 20.00	\$ 7,800.00
31	FINISH GRADING - STREET	SQ YD	54,690	\$ 1.50	\$ 82,035.00
32	FINISH GRADING - TRAIL OR SIDEWALK	SQ YD	4,160	\$ 2.00	\$ 8,320.00
33	EXCAVATION - COMMON (EV) (P)	CU YD	16,568	\$ 30.00	\$ 497,040.00
34	COMMON EMBANKMENT (CV) (P)	CU YD	250	\$ 15.00	\$ 3,750.00
35	EXCAVATION SPECIAL (LANDSCAPE BEDS)	CU YD	870	\$ 50.00	\$ 43,500.00
36	AGGREGATE BACKFILL (MODIFIED)	TON	240	\$ 18.00	\$ 4,320.00
37	STREET SWEEPER WITH OPERATOR	HOUR	100	\$ 150.00	\$ 15,000.00
38	AGGREGATE BASE, VIRGIN CLASS 5 - STREET	TON	8,477	\$ 19.00	\$ 161,063.00
39	AGGREGATE BASE, VIRGIN CLASS 5 - TRAIL, SIDEWALK, DRIVEWAYS, AND MEDIAN	TON	1,440	\$ 25.00	\$ 36,000.00
40	FULL DEPTH RECLAMATION	SQ YD	51,550	\$ 2.00	\$ 103,100.00
41	STABILIZED FULL DEPTH RECLAMATION	SQ YD	36,980	\$ 6.00	\$ 221,880.00
42	HAUL FULL DEPTH RECLAMATION (LV)	CU YD	10,570	\$ 22.00	\$ 232,540.00
43	EMULSION	TON	390	\$ 750.00	\$ 292,500.00
44	CEMENT	TON	100	\$ 300.00	\$ 30,000.00
45	SALVAGE AND REINSTALL RECLAIM IN WIDENING AREAS (CV)	CU YD	1,000	\$ 22.00	\$ 22,000.00
46	CONCRETE PAVEMENT 8.0"	SQ YD	9,549	\$ 90.00	\$ 859,410.00
47	JOINT ADHESIVE	LIN FT	26,518	\$ 0.75	\$ 19,888.50
48	BITUMINOUS MATERIAL FOR TACK COAT	GAL	7,660	\$ 3.00	\$ 22,980.00
49	TYPE SP 12.5 NON WEAR COURSE MIXTURE (4,B)	TON	7,452	\$ 85.00	\$ 633,420.00
50	TYPE SP 12.5 WEARING COURSE MIXTURE (4,F)	TON	7,973	\$ 100.00	\$ 797,300.00
51	TYPE SP 12.5 WEARING COURSE MIXTURE (4,F) - SPECIAL	TON	6,930	\$ 105.00	\$ 727,650.00
52	TYPE SP 9.5 WEARING COURSE MIXTURE (3,B)	TON	70	\$ 120.00	\$ 8,400.00
53	TYPE SP 9.5 WEARING COURSE MIXTURE (2,C) (TRAIL)	TON	450	\$ 120.00	\$ 54,000.00
54	BITUMINOUS INCENTIVE AND DISINCENTIVE ALLOWANCE	LUMP SUM	1	\$ 108,000.00	\$ 108,000.00
55	BRIDGE AESTHETICS	LUMP SUM	1	\$ 50,000.00	\$ 50,000.00

No.	Item	Units	Qty	EE Unit Price	EE Total Price
56	DRAINAGE IMPROVEMENTS	LUMP SUM	1	\$ 555,000.00	\$ 555,000.00
57	12" RCP FLARED END SECTION INCL TRASH GUARD	LIN FT	1	\$ 3,000.00	\$ 3,000.00
58	12" RC STORM SEWER PIPE, CLASS 5	LIN FT	260	\$ 90.00	\$ 23,400.00
59	15" RC STORM SEWER PIPE, CLASS 5	LIN FT	1,266	\$ 115.00	\$ 145,590.00
60	27" RC STORM SEWER PIPE, CLASS 3	LIN FT	586	\$ 180.00	\$ 105,480.00
61	CONNECT EXISTING PIPE TO NEW STRUCTURE	EACH	10	\$ 1,500.00	\$ 15,000.00
62	4' CIPP (8" PVC) (SANITARY)	EACH	1	\$ 3,000.00	\$ 3,000.00
63	4' CIPP (12" RCP) (STORM)	EACH	1	\$ 3,500.00	\$ 3,500.00
64	TELEWISE STORM SEWER	LIN FT	2,112	\$ 5.00	\$ 10,560.00
65	ABANDON PIPE SEWER (SANITARY)	LIN FT	567	\$ 20.00	\$ 11,340.00
66	CIPP LINER, 9" VCP (SANITARY)	LIN FT	576	\$ 50.00	\$ 28,800.00
67	ADJUST VALVE BOX	EACH	23	\$ 500.00	\$ 11,500.00
68	HYDRANT RECONDITIONING AND PAINTING	EACH	9	\$ 1,500.00	\$ 13,500.00
69	REHABILITATE PRESSURE REDUCING VALVE AND MANHOLE	EACH	1	\$ 50,000.00	\$ 50,000.00
70	REPLACE LID (SANITARY)	EACH	2	\$ 500.00	\$ 1,000.00
71	ADJUST MANHOLE CASTING, INCL NEW ADJ RINGS (SANITARY)	EACH	21	\$ 1,000.00	\$ 21,000.00
72	ADJUST MANHOLE CASTING, INCL NEW ADJ RINGS (SANITARY) (BOULEVARD)	EACH	3	\$ 1,000.00	\$ 3,000.00
73	ADJUST MANHOLE CASTING, INCL NEW ADJ RINGS (STORM)	EACH	1	\$ 1,000.00	\$ 1,000.00
74	ADJUST CATCH BASIN CASTING, INCL NEW ADJ RINGS (STORM)	EACH	42	\$ 1,000.00	\$ 42,000.00
75	ADJUST CATCH BASIN CASTING, INCL NEW CSTG AND ADJ RINGS (STORM)	EACH	2	\$ 1,250.00	\$ 2,500.00
76	ADJUST MANHOLE CASTING, INCL NEW CSTG AND ADJ RINGS (STORM)	EACH	5	\$ 1,250.00	\$ 6,250.00
77	ADJUST MANHOLE CASTING, INCL NEW CSTG AND ADJ RINGS (SANITARY)	EACH	3	\$ 1,600.00	\$ 4,800.00
78	ADJUST MANHOLE CASTING, INCL NEW CSTG AND ADJ RINGS (SANITARY) (BOULEVARD)	EACH	3	\$ 1,600.00	\$ 4,800.00
79	ADJUST MANHOLE CASTING, INCL NEW CSTG AND ADJ RINGS (STORM) (BOULEVARD)	EACH	2	\$ 1,600.00	\$ 3,200.00
80	ADD 12" SECTION (2'X3') (STORM)	EACH	3	\$ 500.00	\$ 1,500.00
81	ADD 12" SECTION (4' DIA) (STORM)	EACH	2	\$ 1,500.00	\$ 3,000.00
82	ADD TRASH GUARD (12" RCP)	EACH	1	\$ 1,500.00	\$ 1,500.00
83	LINE STRUCTURE (STORM)	EACH	1	\$ 2,000.00	\$ 2,000.00
84	PATCH DOGHOUSE (SANITARY)	EACH	2	\$ 350.00	\$ 700.00
85	PATCH DOGHOUSE (STORM)	EACH	7	\$ 350.00	\$ 2,450.00
86	RECONSTRUCT DOGHOUSE (STORM)	EACH	2	\$ 600.00	\$ 1,200.00
87	PATCH INVERT (SANITARY)	EACH	2	\$ 500.00	\$ 1,000.00
88	PATCH INVERT (STORM)	EACH	10	\$ 400.00	\$ 4,000.00
89	RECONSTRUCT INVERT (STORM)	EACH	2	\$ 750.00	\$ 1,500.00
90	PATCH CONCRETE RINGS (STORM)	EACH	5	\$ 400.00	\$ 2,000.00
91	NEW STEP (SANITARY)	EACH	1	\$ 350.00	\$ 350.00
92	NEW STEP (STORM)	EACH	5	\$ 350.00	\$ 1,750.00
93	CLEAN BENCH/INVERT (SANITARY)	EACH	9	\$ 500.00	\$ 4,500.00
94	CLEAN BENCH/INVERT (STORM)	EACH	2	\$ 500.00	\$ 1,000.00
95	PIPE REPAIR (STORM)	EACH	1	\$ 5,000.00	\$ 5,000.00
96	2'X3' CB, INCL CSTG AND HDPE ADJ RINGS	LIN FT	27	\$ 1,000.00	\$ 26,500.00
97	4' DIA STORM SEWER CBMH, INCL CSTG AND HDPE ADJ RINGS	LIN FT	36	\$ 1,200.00	\$ 42,600.00
98	4' DIA STORM SEWER MH, INCL CSTG AND HDPE ADJ RINGS	LIN FT	5	\$ 1,200.00	\$ 5,400.00
99	5' DIA STORM SEWER CBMH, INCL CSTG AND HDPE ADJ RINGS	LIN FT	9	\$ 1,600.00	\$ 14,400.00
100	6' DIA STORM SEWER CBMH, INCL CSTG AND HDPE ADJ RINGS	LIN FT	14	\$ 2,000.00	\$ 27,000.00
101	6 INCH CONCRETE SIDEWALK	SQ YD	1,935	\$ 70.00	\$ 135,450.00
102	6 INCH CONCRETE SIDEWALK SPECIAL	SQ YD	590	\$ 135.00	\$ 79,650.00
103	6 INCH CONCRETE HYDRANT ACCESS PAD	SQ FT	162	\$ 65.00	\$ 10,530.00
104	CONCRETE CURB AND GUTTER DESIGN B618	LIN FT	9,380	\$ 20.00	\$ 187,600.00
105	CONCRETE CURB AND GUTTER DESIGN B424	LIN FT	530	\$ 25.00	\$ 13,250.00
106	MATURITY TESTING FOR COMPRESSIVE STRENGTH	LUMP SUM	1	\$ 2,500.00	\$ 2,500.00
107	7 INCH CONCRETE DRIVEWAY (COMMERCIAL)	SQ YD	820	\$ 105.00	\$ 86,100.00
108	CONCRETE MEDIAN APPROACH NOSE	SQ YD	100	\$ 90.00	\$ 9,000.00
109	4 INCH CONCRETE MEDIAN	SQ YD	2,630	\$ 60.00	\$ 157,800.00
110	4 INCH CONCRETE MEDIAN SPECIAL	SQ YD	310	\$ 120.00	\$ 37,200.00
111	6 INCH CONCRETE PEDESTRIAN CURB RAMP	SQ FT	8,607	\$ 15.00	\$ 129,105.00
112	TRUNCATED DOMES	SQ FT	560	\$ 55.00	\$ 30,800.00
113	LANDSCAPE EDGER	LIN FT	460	\$ 10.00	\$ 4,600.00
114	LANDSCAPE FABRIC	SQ YD	1,770	\$ 3.00	\$ 5,310.00
115	BRICK PAVERS	SQ FT	6,270	\$ 14.00	\$ 87,780.00
116	1.5" NON-METALLIC CONDUIT	LIN FT	1,100	\$ 10.00	\$ 11,000.00
117	UNDERGROUND WIRE 1/C NO 6 AWG	LIN FT	7,600	\$ 2.25	\$ 17,100.00
118	UNDERGROUND WIRE 1/C NO 8 AWG	LIN FT	2,100	\$ 2.00	\$ 4,200.00
119	LIGHTING SERVICE CABINET	EACH	5	\$ 9,000.00	\$ 45,000.00
120	EQUIPMENT PAD	EACH	5	\$ 4,500.00	\$ 22,500.00
121	LIGHT FOUNDATION DESIGN TYPE F	EACH	63	\$ 1,100.00	\$ 69,300.00

No.	Item	Units	Qty	EE Unit Price	EE Total Price
122	LIGHTING UNIT INCL LIGHT POLE AND LUMINAIRE (CONTRACTOR SUPPLIED)	EACH	63	\$ 10,200.00	\$ 642,600.00
123	HANDHOLE (TYPE A)	EACH	35	\$ 750.00	\$ 26,250.00
124	HANDHOLE (TYPE B)	EACH	21	\$ 1,100.00	\$ 23,100.00
125	TRAFFIC BARRIER DESIGN TYPE 31	LIN FT	1,930	\$ 37.50	\$ 72,375.00
126	TRAFFIC CONTROL	LUMP SUM	1	\$ 400,000.00	\$ 400,000.00
127	TRAFFIC CONTROL SUPERVISOR	LUMP SUM	1	\$ 20,000.00	\$ 20,000.00
128	SIGN PANELS TYPE C	SQ FT	885	\$ 40.00	\$ 35,400.00
129	EMERGENCY VEHICLE PREEMPTION SYSTEM A	SYSTEM	1	\$ 10,000.00	\$ 10,000.00
130	EMERGENCY VEHICLE PREEMPTION SYSTEM B	SYSTEM	1	\$ 10,000.00	\$ 10,000.00
131	EMERGENCY VEHICLE PREEMPTION SYSTEM E	SYSTEM	1	\$ 8,000.00	\$ 8,000.00
132	TRAFFIC CONTROL SIGNAL SYSTEM A	SYSTEM	1	\$ 590,000.00	\$ 590,000.00
133	TRAFFIC CONTROL SIGNAL SYSTEM B	SYSTEM	1	\$ 580,000.00	\$ 580,000.00
134	TRAFFIC CONTROL SIGNAL SYSTEM E (HYDE)	SYSTEM	1	\$ 500,000.00	\$ 500,000.00
135	REVISE SIGNAL SYSTEM C (HARDWOOD/EAST POINT DOUGLAS)	SYSTEM	1	\$ 275,000.00	\$ 275,000.00
136	REVISE SIGNAL SYSTEM D (HINTON)	SYSTEM	1	\$ 80,000.00	\$ 80,000.00
137	REVISE SIGNAL SYSTEM F (EAST POINT DOUGLAS/PRIVATE STREET (HYVEE))	SYSTEM	1	\$ 70,000.00	\$ 70,000.00
138	TEMPORARY SIGNAL SYSTEM	SYSTEM	1		\$ -
139	DECIDUOUS SHRUB NO 2 CONT	EACH	90	\$ 50.00	\$ 4,500.00
140	PERENNIAL NO 1 CONT	EACH	180	\$ 15.00	\$ 2,700.00
141	STRIPING	LUMP SUM	2	\$ 75,000.00	\$ 150,000.00
142	EROSION CONTROL SUPERVISOR	LUMP SUM	1	\$ 7,500.00	\$ 7,500.00
143	STORM DRAIN INLET PROTECTION	EACH	79	\$ 450.00	\$ 35,550.00
144	EROSION CONTROL AND RESTORATION	LUMP SUM	3	\$ 75,000.00	\$ 225,000.00
145	LOAM TOPSOIL BORROW (LV)	CU YD	1,558	\$ 55.00	\$ 85,690.00
146	MULCH MATERIAL TYPE 5 OR 6	CU YD	60	\$ 100.00	\$ 6,000.00
147	LANDSCAPE ROCK (3/4" TRAP ROCK)	CU YD	80	\$ 180.00	\$ 14,400.00
148	LANDSCAPE ROCK (3/4" RIVER ROCK)	CU YD	120	\$ 140.00	\$ 16,800.00
TOTAL BASE BID					\$ 12,574,669.00
CONSTRUCTION COST (INCL 10% CONTINGENCY)					\$ 13,832,135.90

Appendix B: Cost Summary – Assessment Policy Calculations

Cost Summary - Assessment Policy Calculations														
80th Street Rehabilitation Project					Allocation of Assessable Amount to Abutting Land Uses				Policy Calculations					
Item	Feasibility Report Construction Cost ¹	Total Cost ²	Deduct Other ³	Assessable Amount	City or Non-Assessable Property	Commercial Assessed Amount	Abutting School Amount	Abutting Residential Amount	School Property Assessed Amount ⁴	Deduct For Street Width	Residential Adjusted Total Cost ⁵	Residential Assessed Amount	Remaining To Be Funded ⁶	
						100% Assessed			75% Assessed			45% of Adjusted		
Available Funding														
80th Street Improvements														
Streets ⁹	\$5,680,363.15	\$7,100,453.94	(\$405,370.63)	\$6,695,083.31	\$2,135,933.99	\$2,871,880.04	\$1,451,779.29	\$235,489.99	\$1,101,822.09	(\$75,562.22)	\$159,927.77	\$71,967.50	\$3,054,784.31	
Sanitary Sewer	\$83,204.00	\$104,005.00	\$0.00	\$104,005.00	\$33,180.74	\$44,613.32	\$22,552.71	\$3,658.23	\$16,139.11	\$0.00	\$3,658.23	\$1,646.20	\$41,606.37	
Water Main	\$92,653.00	\$115,816.25	(\$68,750.00)	\$47,066.25	\$15,015.56	\$20,189.24	\$10,205.97	\$1,655.49	\$17,971.94	\$0.00	\$1,655.49	\$744.97	\$76,910.11	
Storm Sewer	\$353,633.50	\$442,041.88	\$0.00	\$442,041.88	\$141,024.72	\$189,615.45	\$95,853.51	\$15,548.19	\$68,594.42	\$0.00	\$15,548.19	\$6,996.69	\$176,835.32	
Signals	\$1,039,060.00	\$1,298,825.00	\$0.00	\$1,298,825.00	\$414,364.44	\$557,135.65	\$281,640.59	\$45,684.31	\$201,546.84	\$0.00	\$45,684.31	\$20,557.94	\$519,584.57	
Street Lighting	\$1,024,760.00	\$1,280,950.00	\$0.00	\$1,280,950.00	\$408,661.78	\$549,468.11	\$277,764.53	\$45,055.59	\$198,773.07	\$0.00	\$45,055.59	\$20,275.01	\$512,433.81	
Subtotal - 80th Street	\$8,273,673.65	\$10,342,092.06	(\$474,120.63)	\$9,867,971.44	\$3,148,181.22	\$4,232,901.81	\$2,139,796.61	\$347,091.80	\$1,604,847.46	(\$75,562.22)	\$271,529.58	\$122,188.31	\$4,382,154.49	
East Point Douglas Road Improvements														
Streets	\$960,212.00	\$1,200,265.00	\$0.00	\$1,200,265.00	\$0.00	\$1,200,265.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sanitary Sewer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Water Main	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Storm Sewer	\$185,509.50	\$231,886.88	\$0.00	\$231,886.88	\$0.00	\$231,886.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Signals	\$88,220.00	\$110,275.00	\$0.00	\$110,275.00	\$0.00	\$110,275.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Street Lighting	\$95,700.00	\$119,625.00	\$0.00	\$119,625.00	\$0.00	\$119,625.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Subtotal - East Point Douglas Road	\$1,329,641.50	\$1,662,051.88	\$0.00	\$1,662,051.88	\$0.00	\$1,662,051.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
MnDOT & County Interchange														
Streets ¹⁰	\$4,228,820.75	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,286,025.94	
Subtotal - MnDOT & County Interchange	\$4,228,820.75	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,286,025.94	
Total Project	\$13,832,135.90	\$17,290,169.88	(\$474,120.63)	\$11,530,023.31	\$3,148,181.22	\$5,894,953.68	\$2,139,796.61	\$347,091.80	\$1,604,847.46	(\$75,562.22)	\$271,529.58	\$122,188.31	\$9,668,180.43	

1. Includes 10% Contingency

2. Includes 25% Indirect Costs

3. PRV repairs and ISD 833 Turn Lanes

4. 75% of School Abutting Amount

5. Abutting Residential Plus Deduct
6. Total Cost Minus Assessed Amounts

7. Applied to Construction Cost only

8. Applied to Total Project Cost

9. Includes City Legs of Interchange

10. MnDOT & County Legs of Interchange

Continued Above

Continued Below

Cost Summary - Assessment Policy Calculations													
80th Street Rehabilitation Project		Funding Sources				City Funds Breakout							
Item	Remaining To Be Funded ⁶	Federal Funds ⁷	TIF ⁸	MnDOT/County	City Funds	Sanitary Utility Fund	Water Utility Fund	Stormwater Utility Fund	Streetlight Enterprise Fund	Street Maintenance Fund	MSA Funds	General Levy	
Available Funding		\$5,000,000.00	\$1,807,150.00								\$4,600,000.00		
80th Street Improvements													
Streets ⁹	\$3,054,784.31	\$3,054,784.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sanitary Sewer	\$41,606.37	\$41,606.37	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Water Main	\$76,910.11	\$76,910.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Storm Sewer	\$176,835.32	\$176,835.32	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Signals	\$519,584.57	\$519,584.57	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Street Lighting	\$512,433.81	\$512,433.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Subtotal - 80th Street	\$4,382,154.49	\$4,382,154.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
East Point Douglas Road Improvements													
Streets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sanitary Sewer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Water Main	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Storm Sewer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Signals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Street Lighting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Subtotal - East Point Douglas Road	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
MnDOT & County Interchange													
Streets ¹⁰	\$5,286,025.94	\$0.00	\$0.00	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Subtotal - MnDOT & County Interchange	\$5,286,025.94	\$0.00	\$0.00	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Project	\$9,668,180.43	\$4,382,154.49	\$0.00	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

Appendix C: Cost Summary – Special Benefit Appraisal

Cost Summary - Special Benefit Appraisal													
80th Street Rehabilitation Project					Modified Amounts: Special Benefit Appraisal								
Item	Feasibility Report Construction Cost ¹	Total Cost ²	Deduct Other ³	Assessable Amount	City or Non-Assessable Property	Commercial Assessed Amount	Abutting School Amount	Abutting Residential Amount	School Property Assessed Amount ⁴	Deduct For Street Width	Residential Adjusted Total Cost ⁵	Residential Assessed Amount	Remaining To Be Funded ⁶
						Benefit Appraisal			Benefit Appraisal			Benefit Appraisal	
Available Funding													
80th Street Improvements													
Streets ⁹	\$5,680,363.15	\$7,100,453.94	(\$405,370.63)	\$6,695,083.31	\$2,135,933.99	\$861,564.01	\$1,451,779.29	\$235,489.99	\$220,364.42	(\$75,562.22)	\$159,927.77	\$71,967.50	\$5,946,558.01
Sanitary Sewer	\$83,204.00	\$104,005.00	\$0.00	\$104,005.00	\$33,180.74	\$13,384.00	\$22,552.71	\$3,658.23	\$3,227.82	\$0.00	\$3,658.23	\$1,646.20	\$85,746.98
Water Main	\$92,653.00	\$115,816.25	(\$68,750.00)	\$47,066.25	\$15,015.56	\$6,056.77	\$10,205.97	\$1,655.49	\$3,594.39	\$0.00	\$1,655.49	\$744.97	\$105,420.12
Storm Sewer	\$353,633.50	\$442,041.88	\$0.00	\$442,041.88	\$141,024.72	\$56,884.64	\$95,853.51	\$15,548.19	\$13,718.88	\$0.00	\$15,548.19	\$6,996.69	\$364,441.67
Signals	\$1,039,060.00	\$1,298,825.00	\$0.00	\$1,298,825.00	\$414,364.44	\$167,140.70	\$281,640.59	\$45,684.31	\$40,309.37	\$0.00	\$45,684.31	\$20,557.94	\$1,070,816.99
Street Lighting	\$1,024,760.00	\$1,280,950.00	\$0.00	\$1,280,950.00	\$408,661.78	\$164,840.43	\$277,764.53	\$45,055.59	\$39,754.61	\$0.00	\$45,055.59	\$20,275.01	\$1,056,079.94
Subtotal - 80th Street	\$8,273,673.65	\$10,342,092.06	(\$474,120.63)	\$9,867,971.44	\$3,148,181.22	\$1,269,870.54	\$2,139,796.61	\$347,091.80	\$320,969.49	(\$75,562.22)	\$271,529.58	\$122,188.31	\$8,629,063.72
East Point Douglas Road Improvements													
Streets	\$960,212.00	\$1,200,265.00	\$0.00	\$1,200,265.00	\$0.00	\$378,401.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$821,863.76
Sanitary Sewer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water Main	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storm Sewer	\$185,509.50	\$231,886.88	\$0.00	\$231,886.88	\$0.00	\$69,566.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$162,320.81
Signals	\$88,220.00	\$110,275.00	\$0.00	\$110,275.00	\$0.00	\$14,760.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$95,514.25
Street Lighting	\$95,700.00	\$119,625.00	\$0.00	\$119,625.00	\$0.00	\$35,887.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$83,737.50
Subtotal - East Point Douglas Road	\$1,329,641.50	\$1,662,051.88	\$0.00	\$1,662,051.88	\$0.00	\$498,615.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,163,436.32
MnDOT & County Interchange													
Streets ¹⁰	\$4,228,820.75	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,286,025.94
Subtotal - MnDOT & County Interchange	\$4,228,820.75	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,286,025.94
Total Project	\$13,832,135.90	\$17,290,169.88	(\$474,120.63)	\$11,530,023.31	\$3,148,181.22	\$1,768,486.10	\$2,139,796.61	\$347,091.80	\$320,969.49	(\$75,562.22)	\$271,529.58	\$122,188.31	\$15,078,525.98

1. Includes 10% Contingency

2. Includes 25% Indirect Costs

3. PRV repairs and ISD 833 Turn Lanes

4. 75% of School Abutting Amount

5. Abutting Residential Plus Deduct
6. Total Cost Minus Assessed Amounts

7. Applied to Construction Cost only

8. Applied to Total Project Cost

9. Includes City Legs of Interchange

10. MnDOT & County Legs of Interchange

Continued Below

Cost Summary - Special Benefit Appraisal													
80th Street Rehabilitation Project		Funding Sources				City Funds Breakout							
Item	Remaining To Be Funded ⁶	Federal Funds ⁷	TIF Pooled Funds ⁸	MnDOT/County	City Funds	Sanitary Utility Fund	Water Utility Fund	Stormwater Utility Fund	Streetlight Enterprise Fund	Street Maintenance Fund	MSA Funds	General Levy	
Available Funding		\$5,000,000.00	\$1,807,150.00								\$4,600,000.00		
80th Street Improvements													
Streets ⁹	\$5,946,558.01	\$4,544,290.52	\$1,336,401.22	\$0.00	\$65,866.27	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$65,866.27	\$0.00	
Sanitary Sewer	\$85,746.98	\$66,563.20	\$0.00	\$0.00	\$19,183.78	\$19,183.78	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Water Main	\$105,420.12	\$74,122.40	\$0.00	\$0.00	\$31,297.72	\$0.00	\$31,297.72	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Storm Sewer	\$364,441.67	\$0.00	\$0.00	\$0.00	\$364,441.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$364,441.67	\$0.00	
Signals	\$1,070,816.99	\$315,023.88	\$375,234.54	\$0.00	\$380,558.58	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$380,558.58	\$0.00	
Street Lighting	\$1,056,079.94	\$0.00	\$0.00	\$0.00	\$1,056,079.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,056,079.94	\$0.00	
Subtotal - 80th Street	\$8,629,063.72	\$5,000,000.00	\$1,711,635.75	\$0.00	\$1,917,427.96	\$19,183.78	\$31,297.72	\$0.00	\$0.00	\$0.00	\$1,866,946.46	\$0.00	
	\$0.00												
East Point Douglas Road Improvements	\$0.00												
Streets	\$821,863.76	\$0.00	\$0.00	\$0.00	\$821,863.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$821,863.76	\$0.00	
Sanitary Sewer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Water Main	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Storm Sewer	\$162,320.81	\$0.00	\$0.00	\$0.00	\$162,320.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$162,320.81	\$0.00	
Signals	\$95,514.25	\$0.00	\$95,514.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Street Lighting	\$83,737.50	\$0.00	\$0.00	\$0.00	\$83,737.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$83,737.50	\$0.00	
Subtotal - East Point Douglas Road	\$1,163,436.32	\$0.00	\$95,514.25	\$0.00	\$1,067,922.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,067,922.07	\$0.00	
	\$0.00												
MnDOT & County Interchange	\$0.00												
Streets ¹⁰	\$5,286,025.94	\$0.00	\$0.00	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Subtotal - MnDOT & County Interchange	\$5,286,025.94	\$0.00	\$0.00	\$5,286,025.94	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00												
Total Project	\$15,078,525.98	\$5,000,000.00	\$1,807,150.00	\$5,286,025.94	\$2,985,350.04	\$19,183.78	\$31,297.72	\$0.00	\$0.00	\$0.00	\$2,934,868.54	\$0.00	

Continued Above

Appendix D: Preliminary Assessment Roll

80th Street & East Point Douglas Rd

Commerical

Property	Owner Name	Address	Amount
802721330011	A & E INVESTMENTS LLC	7071 EAST POINT DOUGLAS RD S	\$22,800.00
802721330058	KIN INC	7990 HARDWOOD AVE S	\$90,000.00
802721330054	R & G ENDEAVORS INC	7998 HARDWOOD AVE S	\$15,400.00
802721330059	VO-DANG FAMILY REV TRS	7980 HARDWOOD AVE S	\$14,100.00
802721330050	US BANK NATIONAL ASSN	7200 80TH ST S	\$28,900.00
802721340017	HOVLAND COTTAGE GROVE LLC	7375 HARDWOOD CT S	\$19,600.00
802721340020	OAK PARK COMMONS LLC	7420 80TH ST S	\$52,400.00
802721340005	AMERICAN ACCTS & ADVISORS INC	7460 80TH ST S	\$30,600.00
802721340004	J MERRITT HOLDINGS LLC	7500 80TH ST S	\$27,000.00
802721430005	HEMINGWAY RETAIL LLC	7584 80TH ST S	\$3,200.00
802721430182	QWEST	7606 80TH ST S	\$26,200.00
802721430184	VERTIN THOMAS M		\$9,200.00
802721430185	VERTIN THOMAS M	7676 80TH ST S	\$19,800.00
802721430186	DICKENSON COMMERCIAL LLC	7702 80TH ST S	\$2,400.00
1702721220021	BHAKTA KIRIT		\$3,200.00
1702721220003	BHAKTA KIRIT	7125 80TH ST S	\$22,200.00
1702721220011	LANNCO LLC	7155 80TH ST S	\$40,800.00
1702721220012	PLAISTED ALLEN M & KATHRYN L & MARK I & JANE R GER	7175 80TH ST S	\$13,600.00
1702721220013	VALVOLUME LLC	7201 80TH ST S	\$15,100.00
1702721220029	VALVOLUME LLC		\$1,900.00
1702721220030	GATEWAY CENTER LLC	7145 EAST POINT DOUGLAS RD S	\$47,300.00
1702721210043	CAMPION LTDP	7135 EAST POINT DOUGLAS RD S	\$64,000.00
1702721210055	S AND Z LLC	7180 EAST POINT DOUGLAS RD S	\$39,100.00
1702721210046	EBR GREENWOOD LLC	7190 EAST POINT DOUGLAS RD S	\$20,400.00
1702721210051	GROVE-RAINBOW LP	7240 EAST POINT DOUGLAS RD S	\$251,500.00
1702721210050	GROVE-RAINBOW LP		\$26,900.00
1702721210038	BOL INC	7449 80TH ST S	\$19,600.00
1702721210013	BLUE POINT PROPERTIES LLC	7501 80TH ST S	\$40,300.00
1702721220018	REALTY INCOME PROPERTIES 3 LLC	7162 EAST POINT DOUGLAS RD S	\$24,400.00
1702721220031	TCF NATIONAL BANK MN	7155 EAST POINT DOUGLAS RD S	\$34,400.00
1702721210049	EXCHANGERIGHT NET LEASED PORTFOLIO 27 DST	7280 EAST POINT DOUGLAS RD S	\$213,200.00
1702721210053	EXCHANGERIGHT NET LEASED PORTFOLIO 27 DST		\$15,300.00
1702721210047	EXCHANGERIGHT NET LEASED PORTFOLIO 27 DST	7200 EAST POINT DOUGLAS RD S	\$6,900.00
1702721210052	EXCHANGERIGHT NET LEASED PORTFOLIO 27 DST		\$1,900.00
Total			\$1,263,600.00

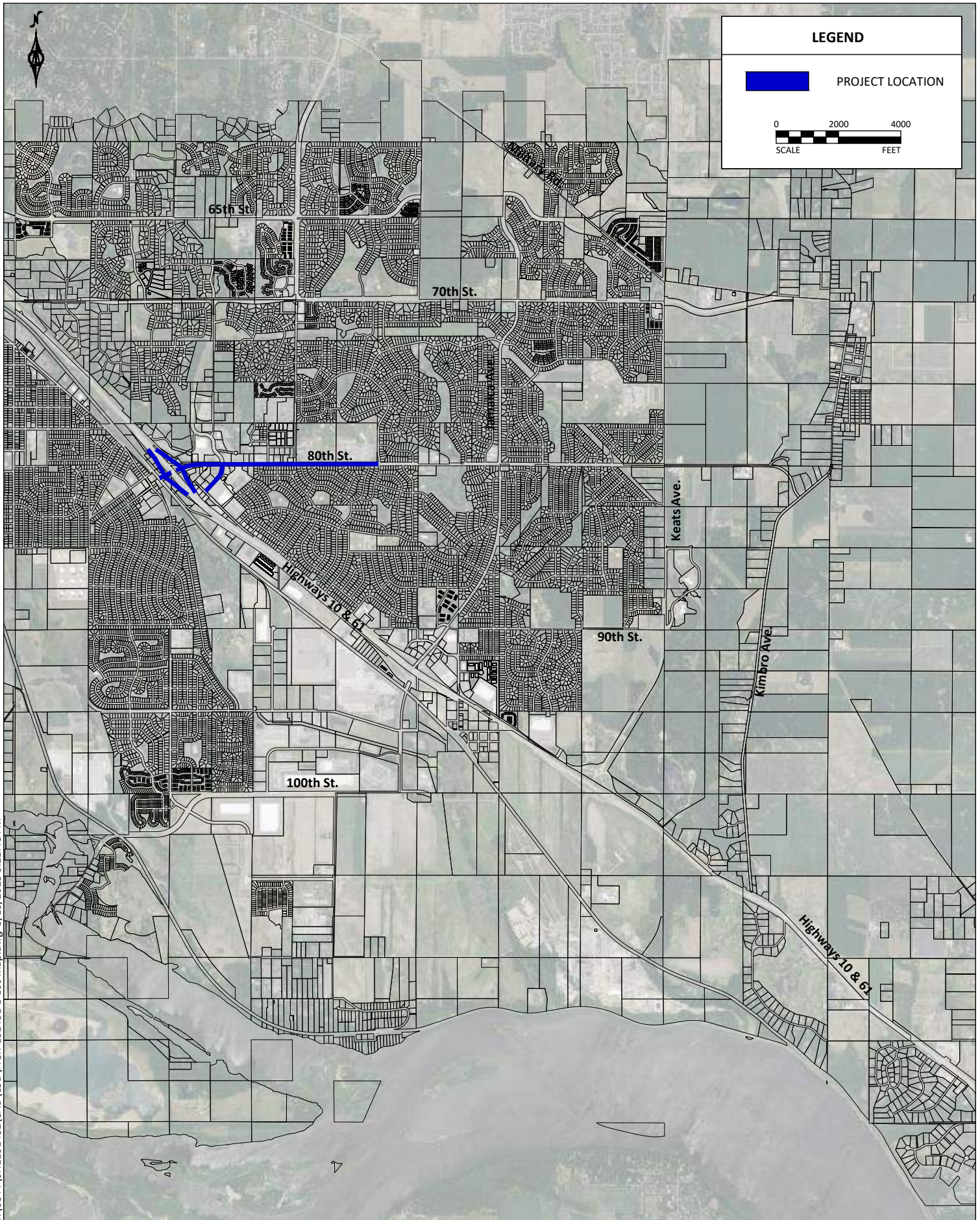
School

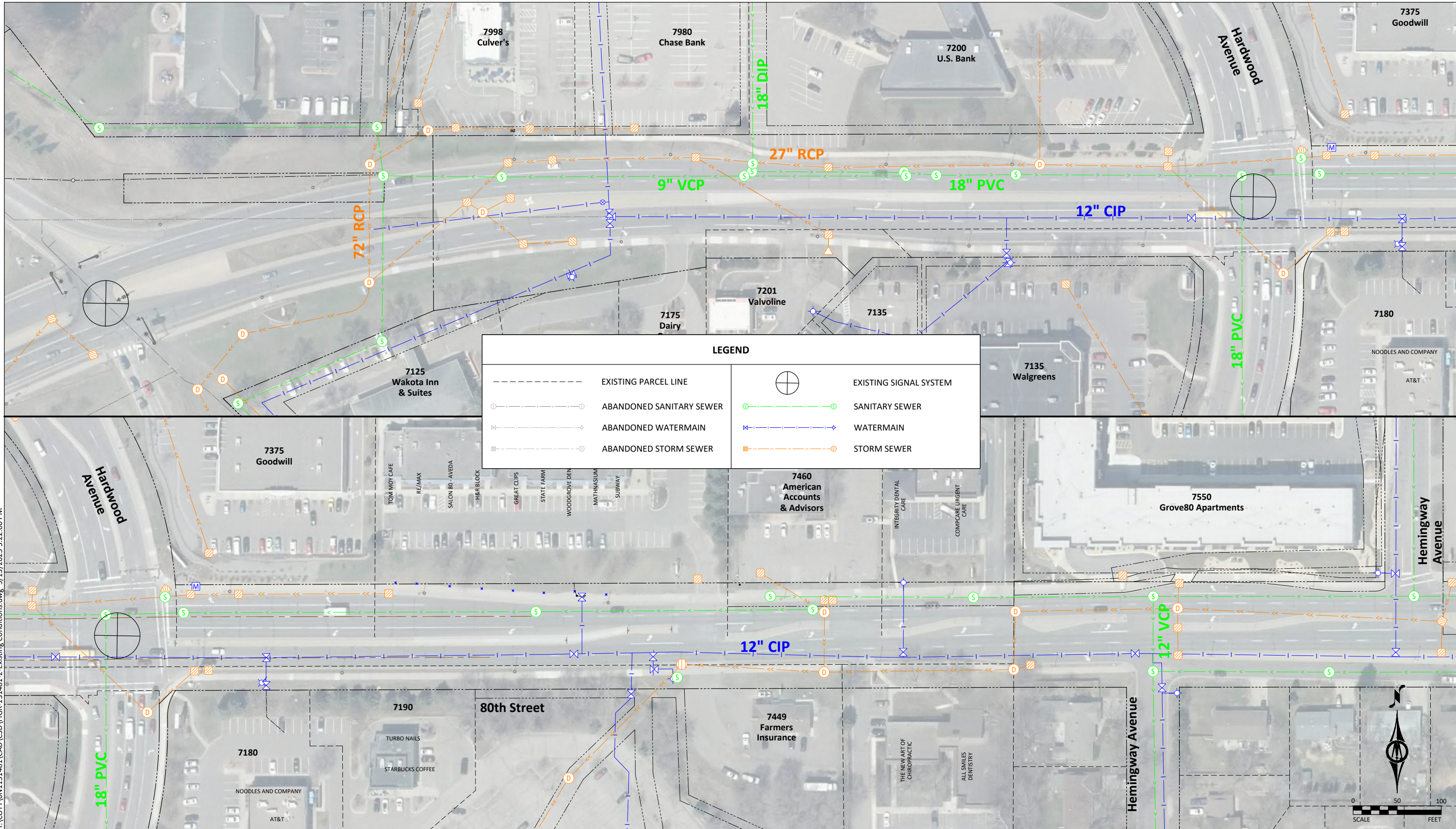
Property	Owner Name	Address	Amount
802721440004	IND SCHOOL DIST #833	7830 80TH ST S	\$111,100.00
902721330003	IND SCHOOL DIST #833	8040 80TH ST S	\$114,900.00
Total			\$226,000.00

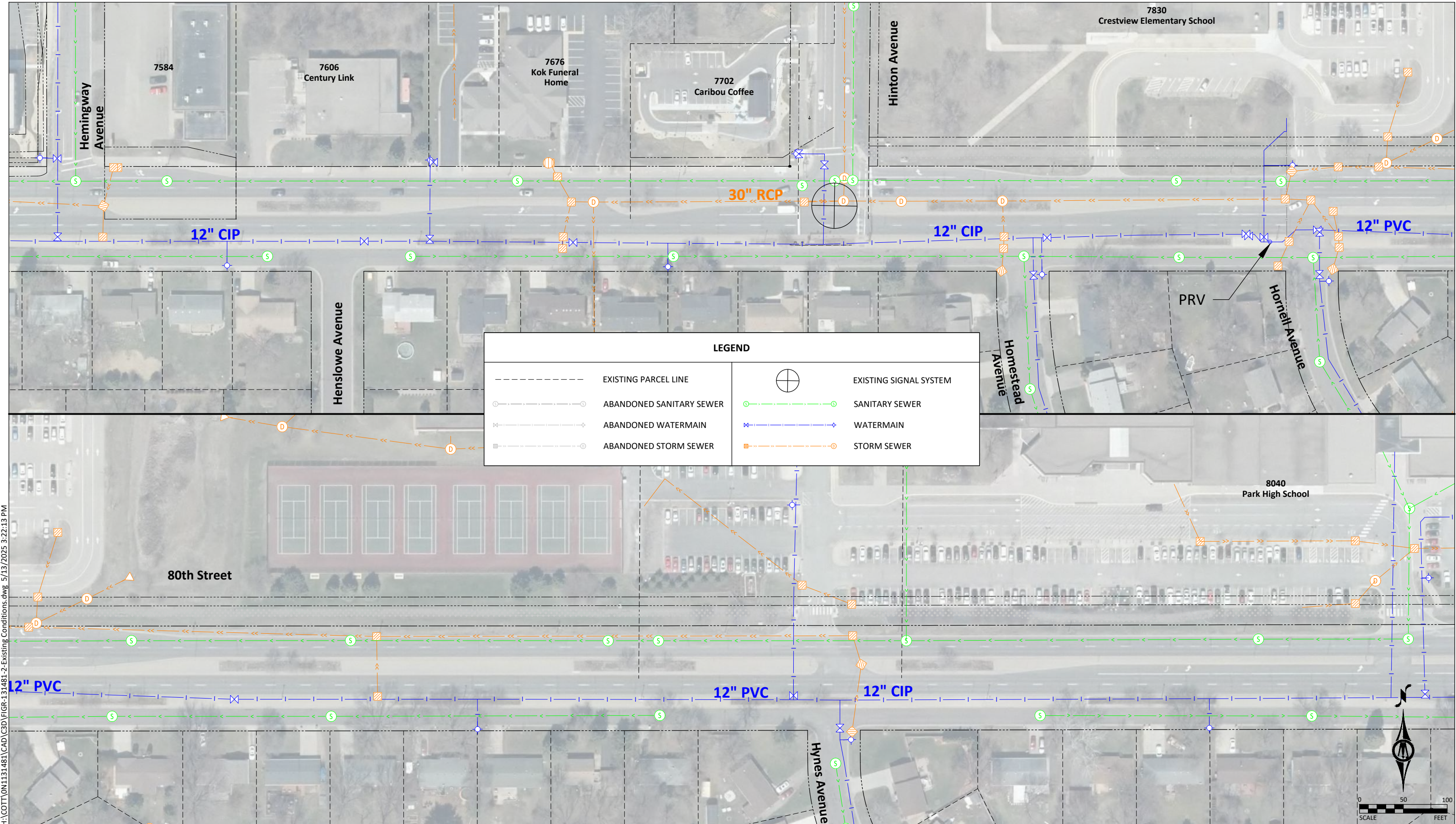
Residential

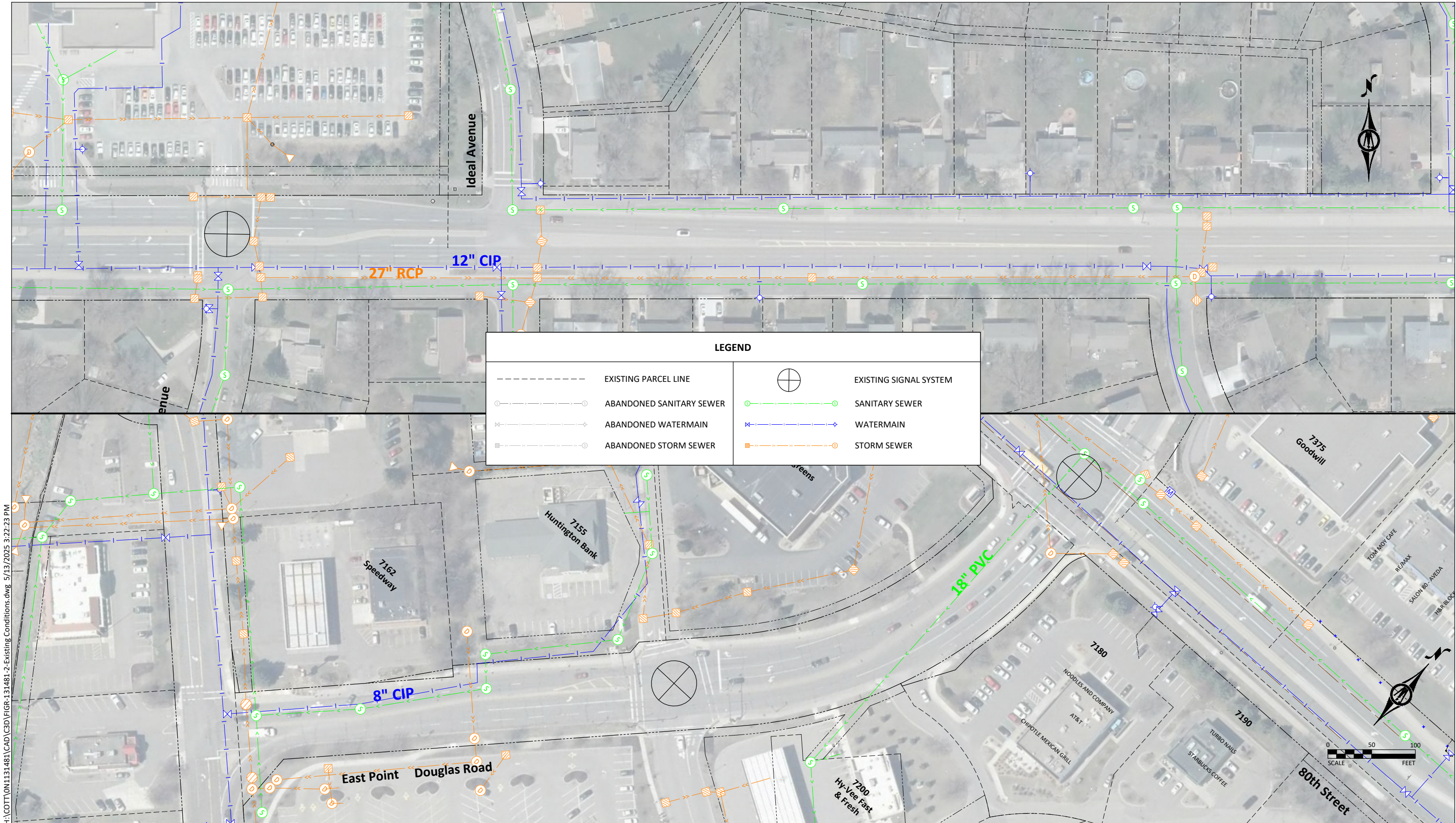
Property	Owner Name	Address	Amount
802721430006	80TH & HEMINGWAY LLC	7550 80TH ST S	\$59,800.00
Total			\$59,800.00

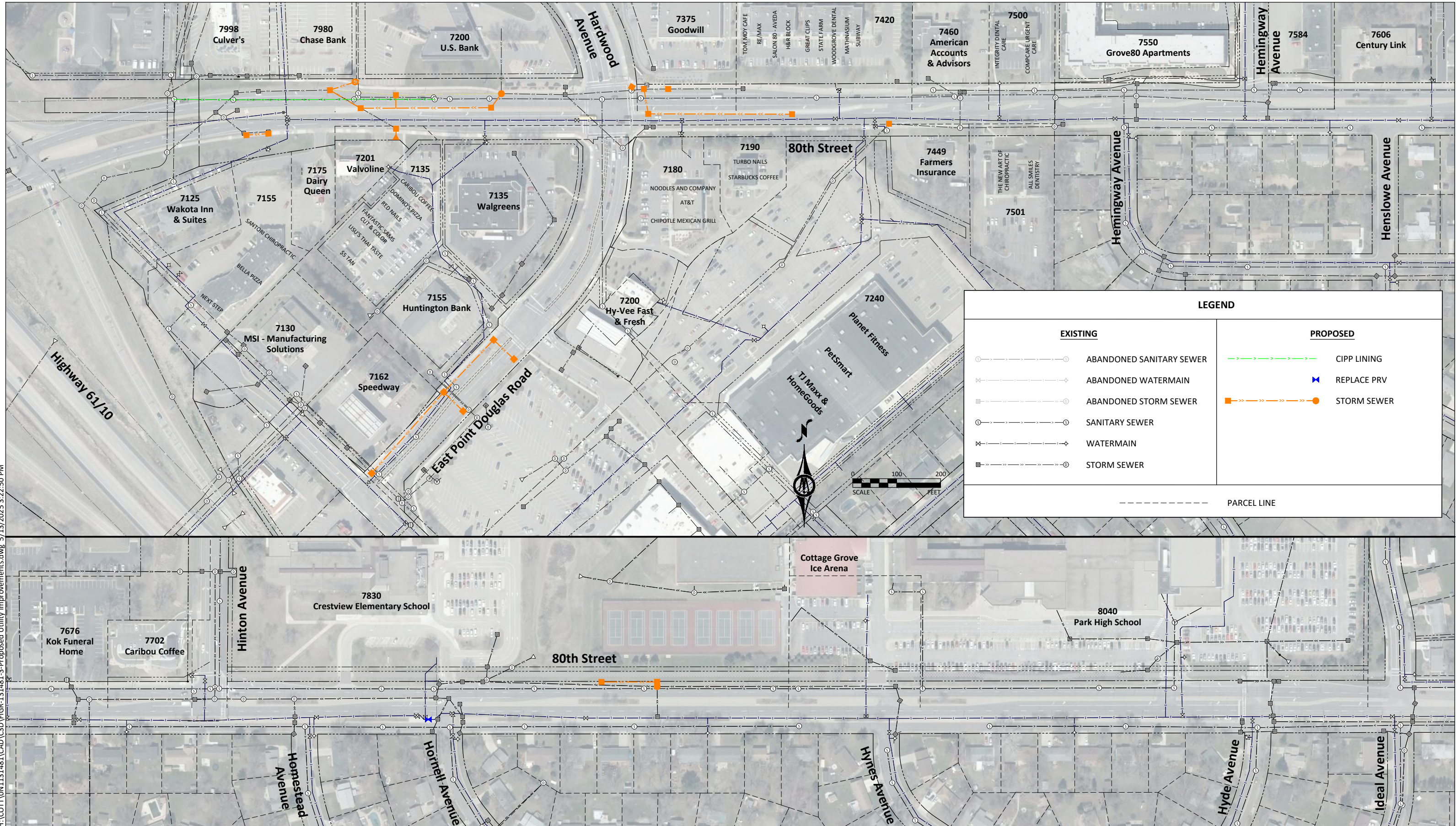
Figures

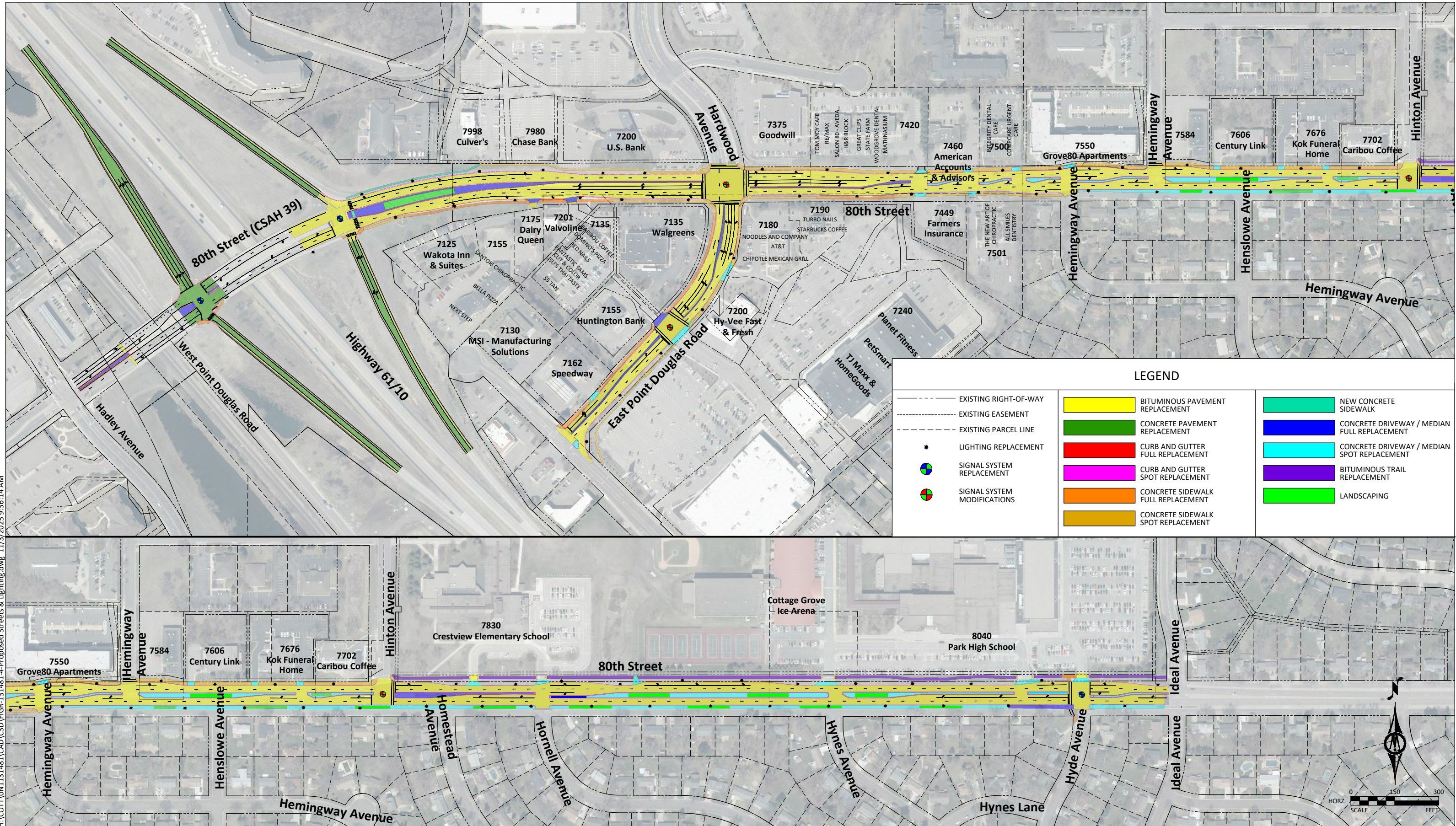


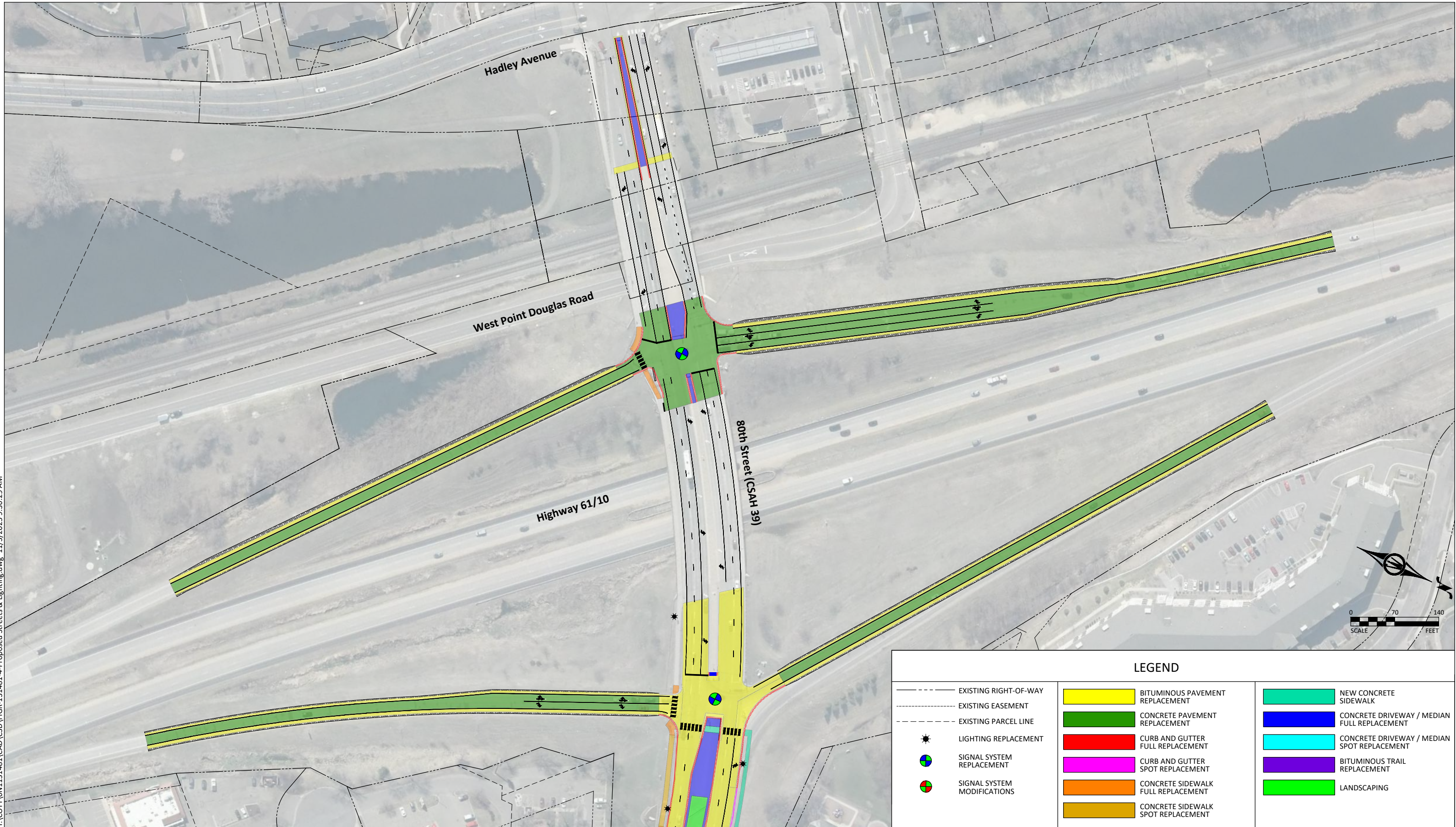


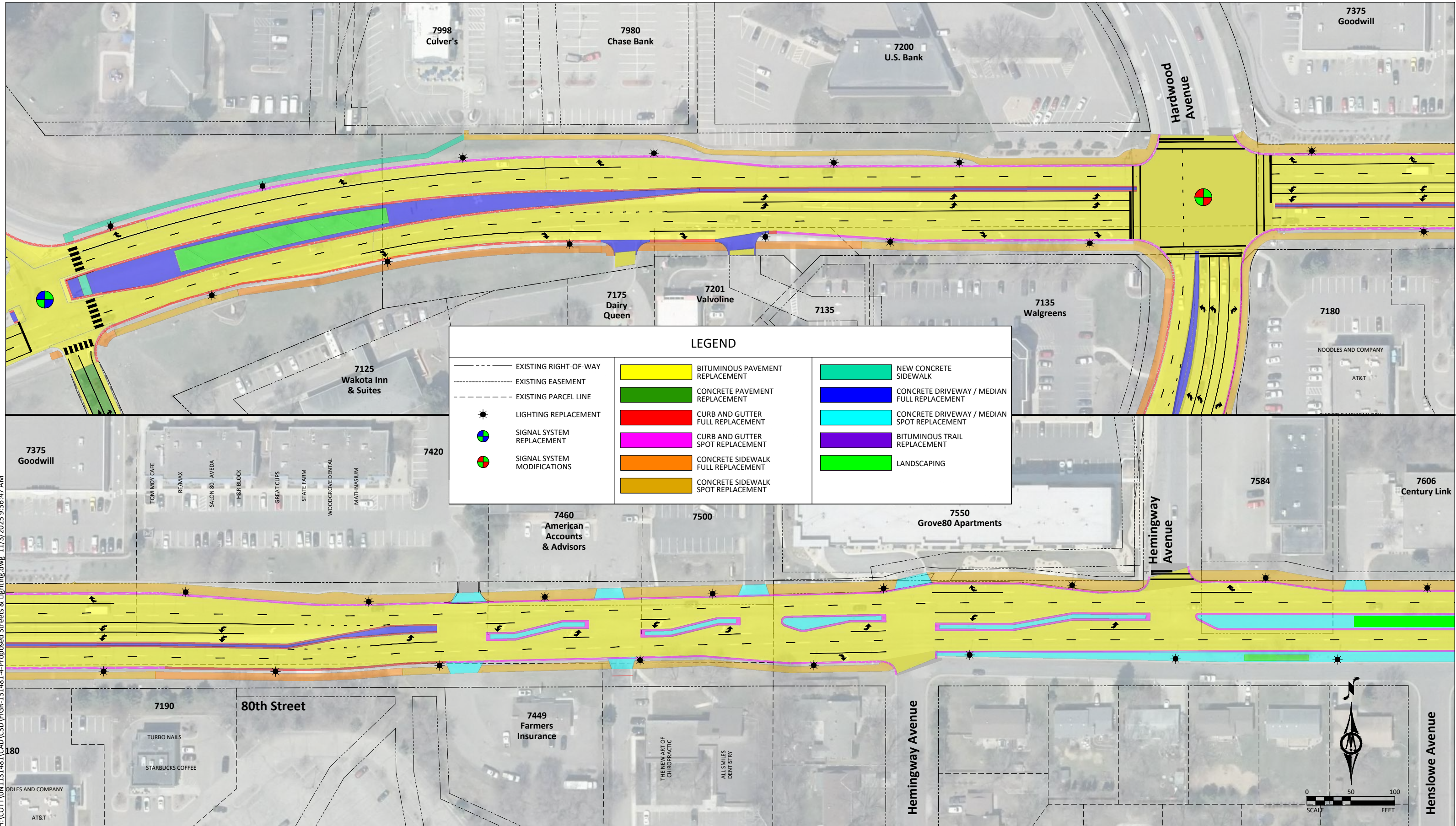


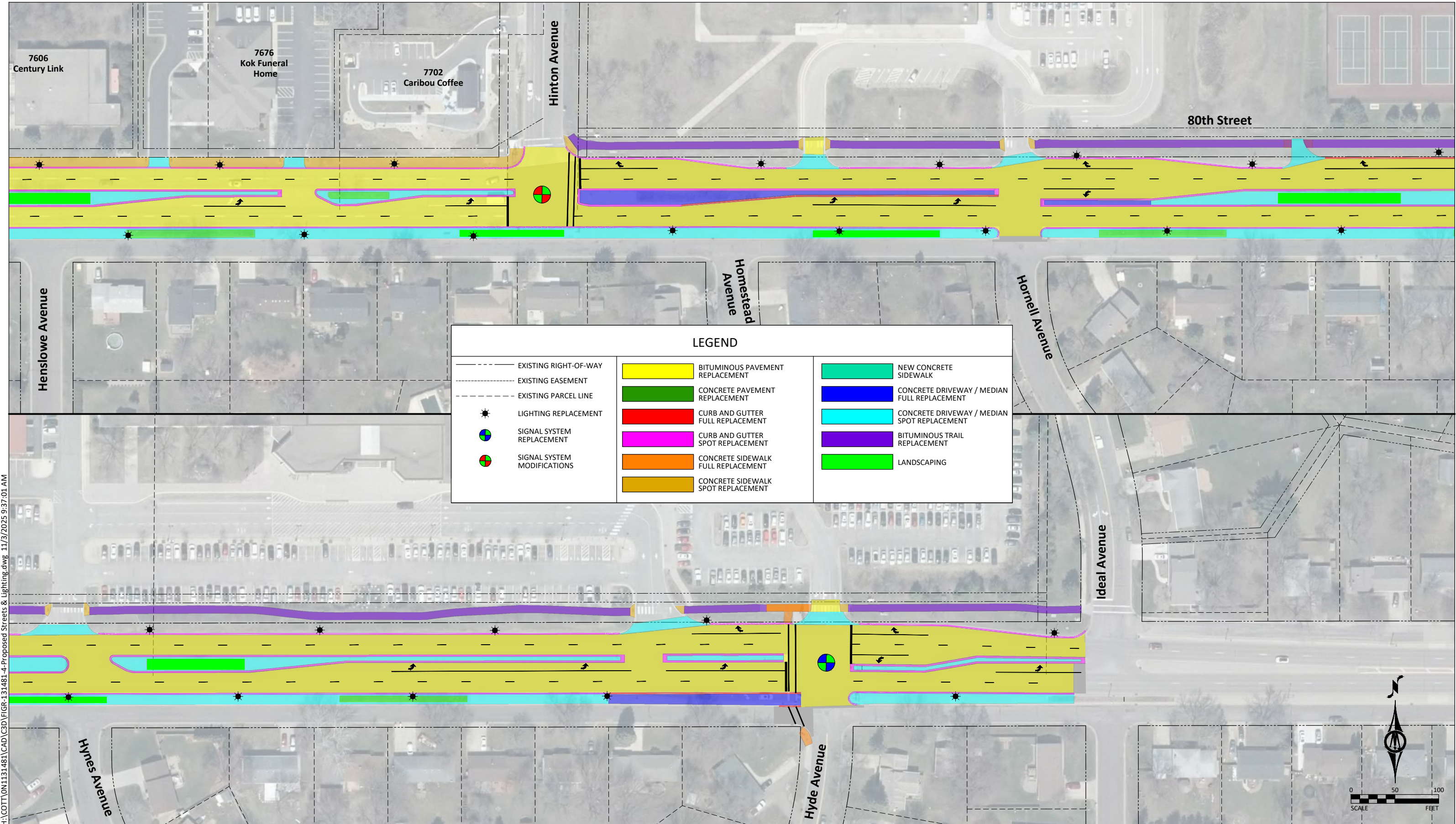


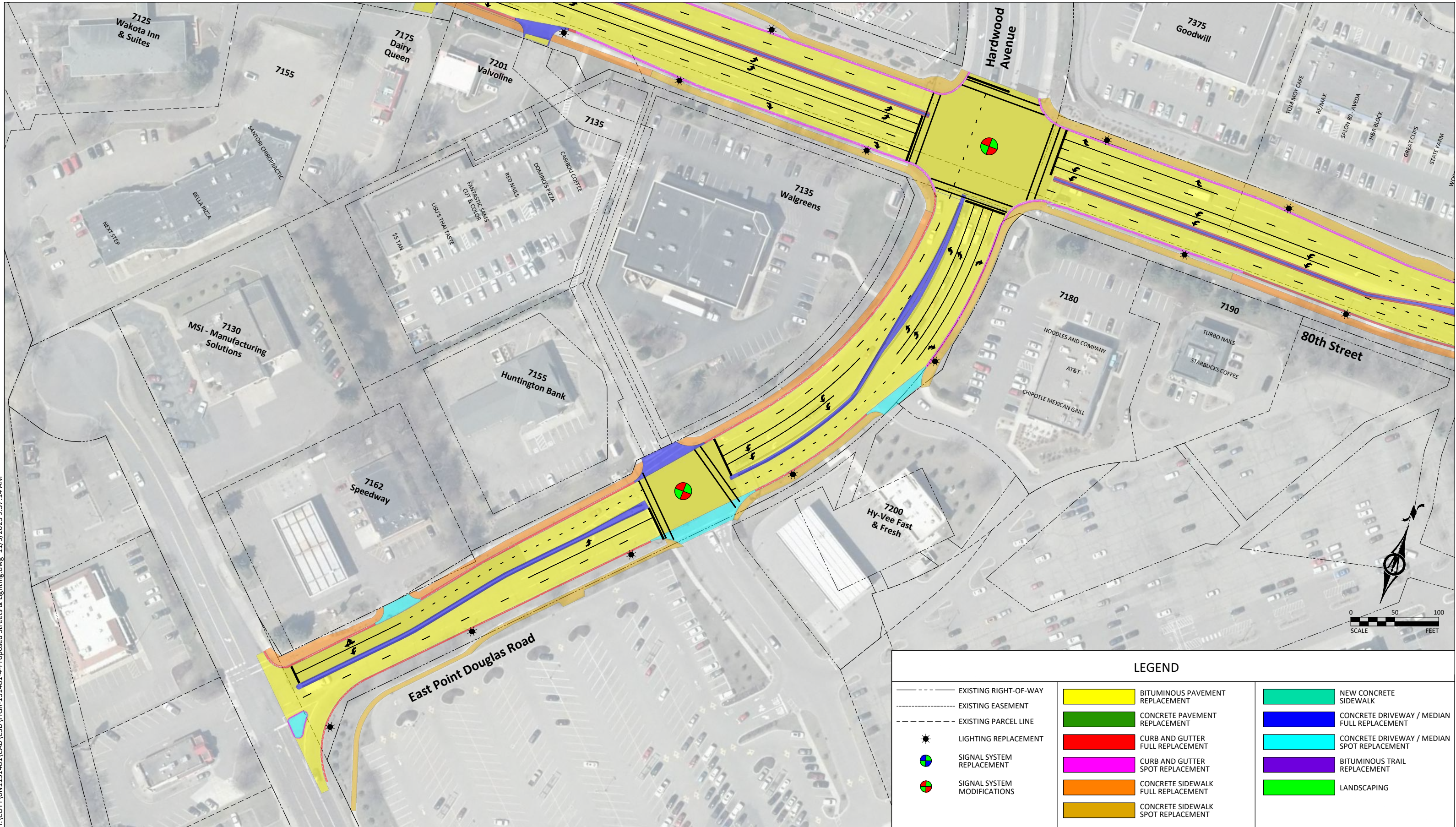


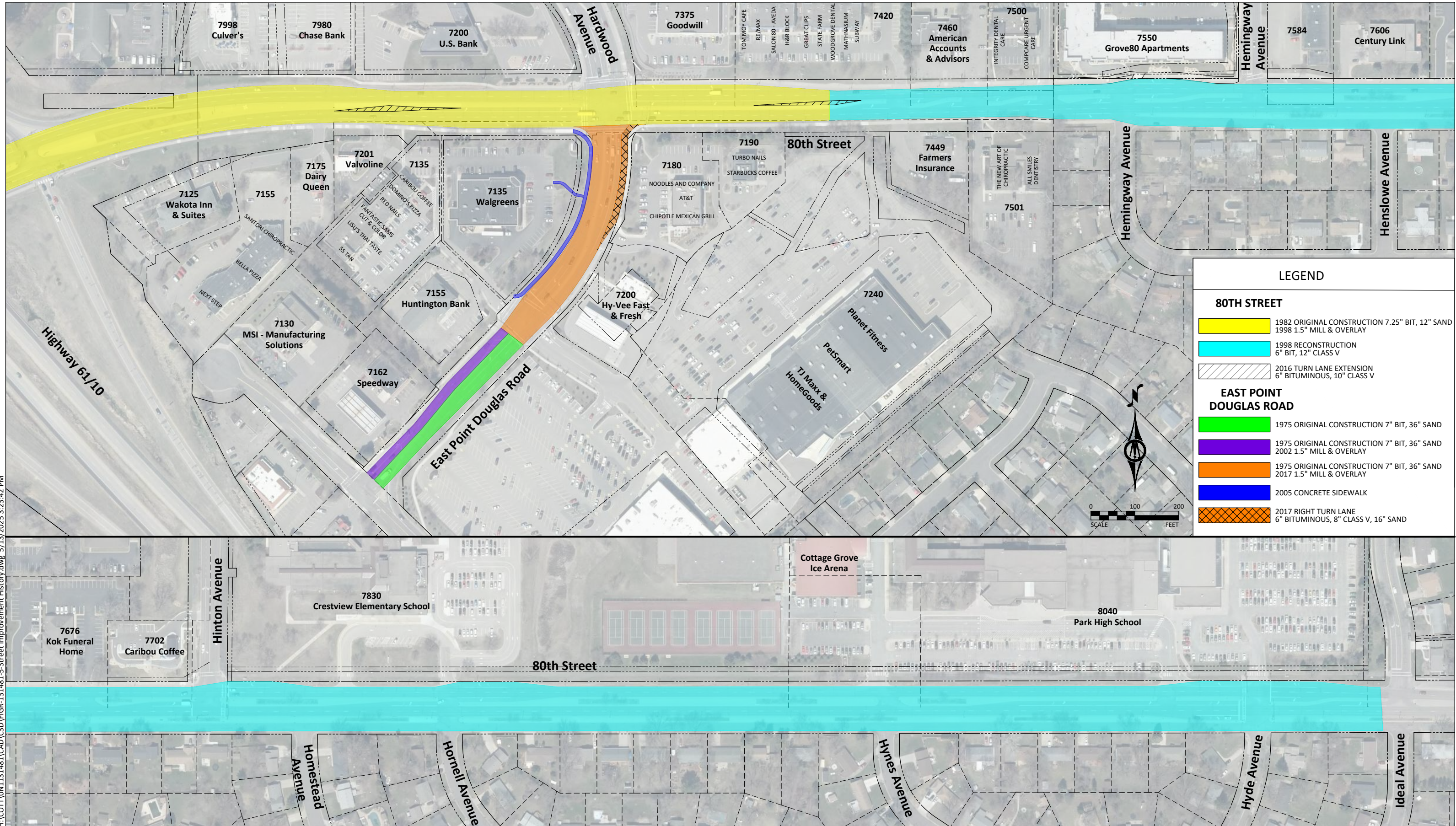


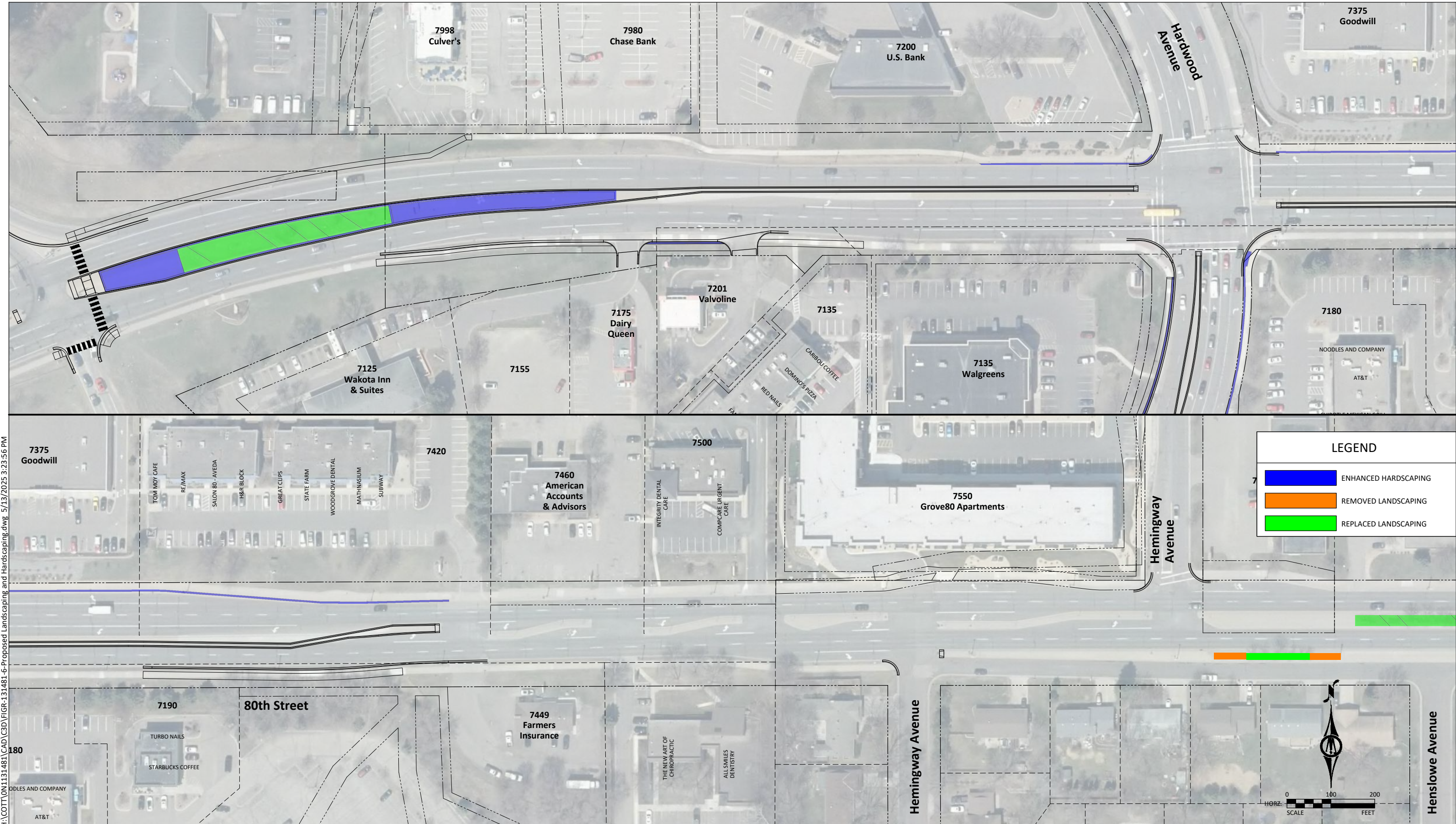


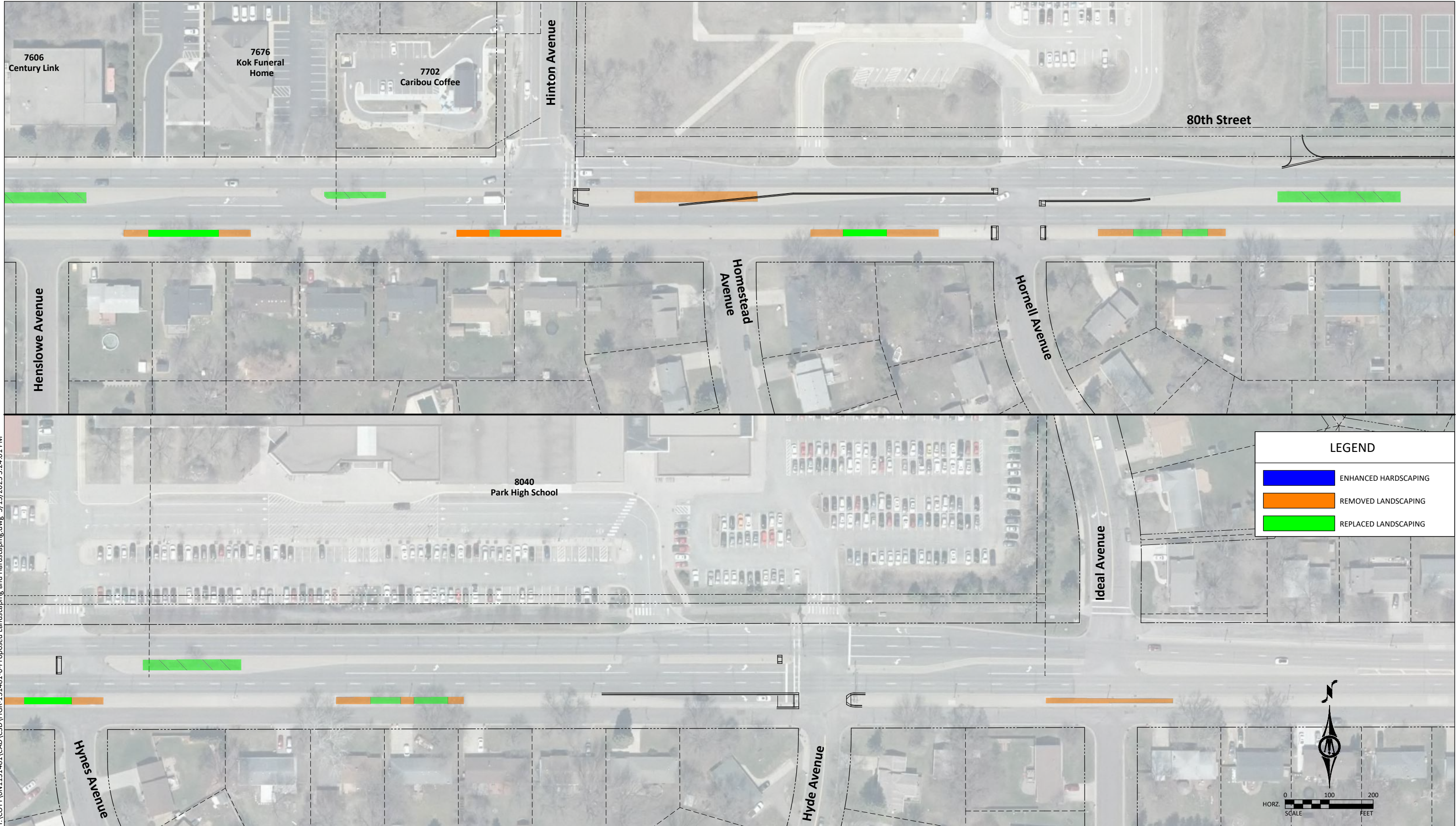




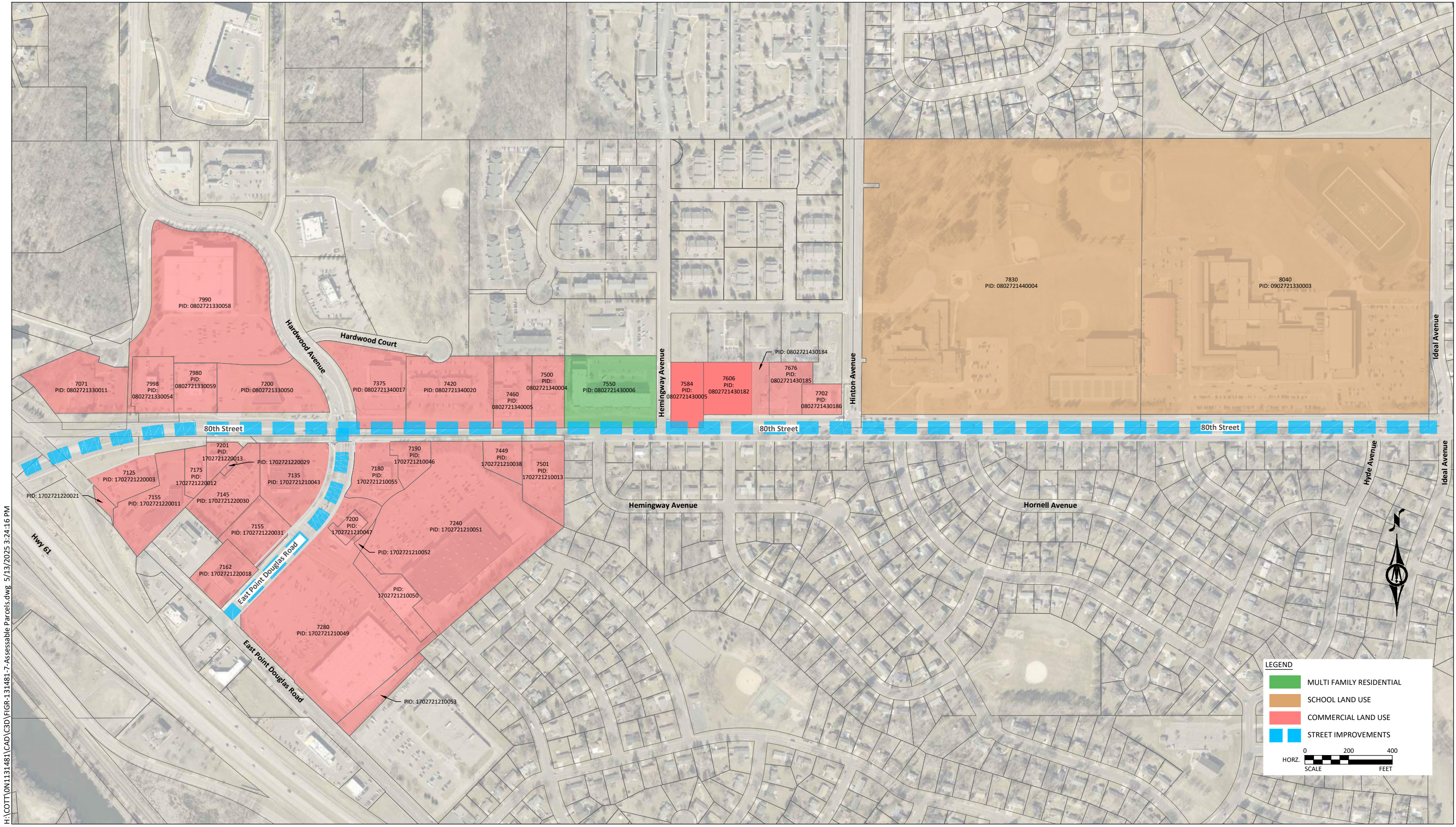














City Council Action Request

8.A.

Meeting Date 11/19/2025

Department Finance

Agenda Category Action Item

Title Approve Disbursements

Staff Recommendation Approve disbursements from 10-31-2025 through 11-13-2025 in the amount of \$4,060,977.28.

Budget Implication N/A

Attachments

1.	Expense Approval Report 11-19-2025 Council Meeting
2.	Payroll Check Register 11-19-25 Council Meeting



City Council Action Request

11.A.

Meeting Date	11/19/2025						
Department	Administration						
Agenda Category	Action Item						
Title	Tobacco Violation - Giza Inc. (DBA: MoonSoon Tobacco) 7584 80th Street South #201						
Staff Recommendation	1) Allow a business representative from Giza Inc. (DBA: MoonSoon Tobacco) to respond to the City Council regarding the underage sale of tobacco compliance check violation occurring on October 28, 2025. 2) Adopt Resolution 2025-170, imposing the scheduled penalty for the first violation in a 36-month period of a \$300.00 fine.						
Budget Implication	N/A						
Attachments	<table><tr><td>1.</td><td>Memo - Tobacco Compliance Check Violation - MoonSoon</td></tr><tr><td>2.</td><td>Resolution - MoonSoon Tobacco Penalty Nov 19 2025</td></tr><tr><td>3.</td><td>MoonSoon Tobacco Violation Letter</td></tr></table>	1.	Memo - Tobacco Compliance Check Violation - MoonSoon	2.	Resolution - MoonSoon Tobacco Penalty Nov 19 2025	3.	MoonSoon Tobacco Violation Letter
1.	Memo - Tobacco Compliance Check Violation - MoonSoon						
2.	Resolution - MoonSoon Tobacco Penalty Nov 19 2025						
3.	MoonSoon Tobacco Violation Letter						



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Peter J Koerner, Director of Public Safety

Date: November 13, 2025

Subject: **TOBACCO COMPLIANCE CHECK VIOLATION – GIZA INC. (DBA: MOONSOON TOBACCO)**

BACKGROUND

On October 28, 2025, the Cottage Grove Public Safety Department conducted tobacco compliance checks of Cottage Grove Businesses holding tobacco and THC licenses by using an underage buyer. The following business failed the compliance check:

MoonSoon Tobacco, 7584 80th Street South Suite # 201 Cottage Grove, MN 55016. This is the business's first violation in a 36-month period.

SUMMARY OF COMPLIANCE PROCESS

Cottage Grove Public Safety conducts biannual compliance checks at all establishments licensed to sell tobacco and THC products. This long-standing practice reflects our commitment to supporting businesses in adhering to state laws and city ordinances that regulate the sale of these substances.

We believe responsible sales practices are vital to community health and safety. Businesses play a key role in helping to prevent underage access to tobacco and THC, and we appreciate their continued efforts and cooperation. As part of our ongoing commitment to public safety, we will continue using compliance checks as a proactive tool. The addition of our Community Impact Unit and Community Engagement Officers has further enhanced our ability to build strong partnerships and provide training opportunities for local businesses.

PROGRAM OVERSIGHT

Community Impact Sergeant Michael McCormick currently oversees the Compliance Check Officer and provided the summary on the procedure.

VOLUNTEER RECRUITMENT AND REQUIREMENTS

To conduct these compliance checks, Cottage Grove Police Officers recruit volunteers from the community-individuals who are interested in public safety and committed to making a positive impact. Volunteers must be:

- Be at least 17 but under 21 years old
- Hold a valid, current Minnesota driver's license or state-issued ID with a photo

Volunteer decoys are given the following instructions and actions are taken.

- Report to the police department at a pre-determined date and time in normal, everyday, clothing that they wear.
- Must not alter their appearance in any way.
- Photos of their appearance are taken prior to conducting the compliance checks and saved for documentation purposes.
- Volunteers are instructed that if asked, they are to state their real age.
- They are instructed that under no circumstances are they authorized to lie to an employee about who they are or misrepresent themselves.
- Volunteers are instructed to provide their MN State-issued identification (ID) or driver's license (DL) that has their true age and identity only if asked for.
- This ID or DL is reviewed and photographed by Officers prior to conducting the compliance checks.
- The volunteer is then provided with a monetary note for payment.
- This monetary note is photographed and saved for any violations that may occur to confirm a violation has occurred.

IDENTIFICATION STANDARDS

Since 2018, Minnesota has issued vertical driver's licenses and IDs for individuals under 21, featuring:

- A vertical layout for easy age identification- this provides a quick reference that the cardholder is a minor. Vertical licenses and ID cards are currently used in 46 other states.
- Age indicators:
 - "UNDER 18 UNTIL" in black text on a yellow bar.
 - "UNDER 21 UNTIL" in white text on a red bar.

Examples of both Minnesota driver's licenses:



COMPLIANCE CHECKING

PROCEDURE

- Officers transport volunteers in an unmarked vehicle to licensed establishments, identified via a list from the Washington County Department of Public Health and Environment.
- A form is completed for each visit, recording the date, time, volunteer, and employee details.
- The volunteer enters the establishment attempting to purchase a tobacco or THC product without guidance on specific items due to varying inventories.
- If a sale occurs, the volunteer returns to the officers with the product and, if possible, a receipt.

RESPONSE TO VIOLATION

If a sale is made to a volunteer:

- Officers enter the establishment with the volunteer, who identifies the employee responsible.
- Officers introduce themselves as Compliance Check Officers and confirm the sale with the employee.
- The manager or person in charge is notified of the violation.
- The employee is asked to explain the sale, including whether they checked for ID.
- A citation is issued via mail for the tobacco violations are charged for a misdemeanor under Cottage Grove City Code 3-5-8.
- THC violations are charged under Minnesota State Statute 152.0264 Subd. 2(2), as the city lacks a specific THC ordinance.
- The prerecorded monetary note is retrieved from the register as evidence, and any change is returned to the business.
- Officers address any questions or concerns from the employee or management before leaving, ensuring transparency and addressing any issues with the volunteer's conduct.

COMMITMENT TO BEST PRACTICE

Cottage Grove's compliance program aligns with best practices used throughout Minnesota and other jurisdictions, ensuring consistency, fairness, and effectiveness in preventing youth access to tobacco and THC products.

MOONSOON TOBACCO VIOLATION FACTS

The following is the narrative of the compliance violation that occurred on October 28, 2025, at approximately 5:01 p.m. at the MoonSoon Tobacco Shop which is located at 7584 80th Street South Suite 201. Cottage Grove police report CG25040511 is attached for the record.

On 10/28/2025, Cottage Grove Police Officers Foster and Lemay conducted tobacco, and THC where applicable, compliance checks throughout the City of Cottage Grove. The volunteer "decoy" was identified by Minnesota driver's instructional permit picture as Decoy DOB: 11/30/2009, 15 years of age at the time of the compliance checks. The Decoy was provided with a twenty-dollar American currency bill that would be used in attempt to make purchases from businesses that sell tobacco and/or THC. Photographs of the twenty-dollar bill, Decoy himself at the time of the checks, and his Minnesota picture instructional driver's permit which was taken prior to the beginning of the detail.

After conducting compliance checks at several different stores throughout the City Decoy was brought to MoonSoon Tobacco which is located at 7584 80th Street South Suite # 201. Officers, and Decoy, arrived outside of the store at approximately 5:01 pm, Decoy then walked into the store.

Decoy told officers that he walked into the store and asked for smokeless tobacco at which time he was presented with the ZYN pouches by the cashier. Decoy stated that after being provided the ZYN, he produced the twenty-dollar bill and gave it to the sole cashier, TAHRESSA MARIE LYN AEGERTER DOB 12/23/1983. AEGERTER then asked Decoy for his driver's license at which time he presented his instructional permit but was not asked for his age. Decoy was then given the tobacco product, a receipt, and the rest of the change where he then exited the store and met with officers outside.

Officers then walked into the store and made contact with the employee that sold Decoy the product. The employee, identified as AEGERTER, was made aware that she had just sold to a minor under 21 years of age.

During this visit officers asked AEGERTER if she scanned Decoy's identification card at which time she stated that they "do not have a scanner". AEGERTER then explained that she "remembered seeing an instruction permit on Decoy's license" and that she "mistook 2009 for the year 2004". AEGERTER apologized and stated that she "mixed up the years".

It should be noted that AEGERTER was the sole cashier working and was identified by her MN picture Driver's License by officers. AEGERTER was advised that she would be receiving a citation in the mail for selling tobacco to a minor, which she stated she understood.

A citation was mailed to TAHRESSA for the following charge:

- 3.5.8(a) CG-Selling or Furnishing Tobacco or Tobacco Products to a minor
Misdemeanor

Body camera footage, photographs of the decoy's identification', the currency used, the package purchased, along with a copy of the receipt and compliance check form will be added to the case file.

Recommendation

1. Allow a business representative for Giza Inc. (DBA: MoonSoon Tobacco) an opportunity to respond to the City Council regarding the underage sale compliance check violation occurring October 28, 2025.
2. Adopt Resolution 2025-170, imposing the scheduled penalty for the first violation in a 36-month period of a \$300.00 fine.

**CITY OF COTTAGE GROVE
WASHINGTON COUNTY, MINNESOTA**

RESOLUTION NO. 2025-170

**A RESOLUTION FINDING A VIOLATION AND IMPOSING AN ADMINISTRATIVE
PENALTY FOR A FAILED COMPLIANCE CHECK TO GIZA INC (DBA:
MOONSOON TOBACCO) 7584 80TH STREET SOUTH #201.**

WHEREAS, MoonSoon Tobacco holds a license to sell tobacco at 7584 80th Street South Apt 201, Cottage Grove, Minnesota expiring on December 31, 2025; and

WHEREAS, on October 28, 2025, the Cottage Grove Police Department, on behalf of the City, conducted a tobacco compliance check at MoonSoon Tobacco which they failed by selling tobacco pouches to an underage decoy; and

WHEREAS, pursuant to Cottage Grove City Code § Chapter 5 Section 3-5-7, any licensee found to have failed a tobacco compliance check or whose employee shall have failed the tobacco compliance check shall be charged with an administrative penalty, which is \$300.00 for the first violation; and

WHEREAS, on November 6, 2025, the City of Cottage Grove sent MoonSoon Tobacco a notice of violation and administrative penalty and the opportunity to request a hearing before the City Council, and its store clerk was issued a misdemeanor citation under City Code § Chapter 5 Section 3-5-7 – selling or furnishing tobacco products to a minor

WHEREAS, the City Council held a hearing on November 19, 2025, where the license holder of MoonSoon Tobacco was given an opportunity to be heard and present testimony and evidence.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Cottage Grove, Minnesota, as follows:

1. The above and foregoing recitals are found to be true and correct and incorporated into the body of this Resolution for all purposes.
2. During the tobacco compliance check on October 25, 2025, an underage buyer working with the Cottage Grove Police Department purchased Zyn Tobacco pouches at MoonSoon Tobacco from an employee.
3. No false or altered identification was used in making the purchase.
4. It is unlawful to sell tobacco products to any person under the age of 21 years.

5. The City served MoonSoon Tobacco with a notice of violation and administrative penalty on November 6, 2025, and provided the tobacco license holder with the opportunity to request a hearing before the City Council, if requested within 10 days of the notice.
6. The hearing was held before the City Council on November 19, 2025 and all those wishing to be heard on the matter were heard and based on the evidence and testimony presented at the hearing, the City Council hereby found that MoonSoon Tobacco and its employee sold tobacco pouches to an individual under 21 in violation of the City Code § Chapter 5 Section 3-5-8.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Cottage Grove as follows:

1. Giza Inc. (DBA: MoonSoon Tobacco) is hereby assessed a \$300.00 administrative penalty. The penalty is to be remitted to the City by December 15, 2025.

Adopted by the City Council of the City of Cottage Grove, Minnesota, the 19th day of November, 2025.

Myron Bailey
Mayor

ATTEST:

Tamara Anderson
City Clerk

November 6, 2025

MoonSoon Tobacco
7584 80th Street South
Cottage Grove, MN 55016

RE: Tobacco License Violation — MoonSoon Tobacco

This letter is to request the presence of a representative of the MoonSoon Tobacco to attend the November 19, 2025, regular Cottage Grove City Council meeting. The City Council will ask your representative to admit or deny the allegation that your business location in Cottage Grove sold tobacco to a minor during a Public Safety Department compliance check on October 28, 2025. The City Council meeting will take place at 7:00 p.m. at Cottage Grove City Hall, 12800 Ravine Parkway, Cottage Grove, MN 55016.

If your representative admits to the allegation, or does not attend the meeting, the City Council will be asked to impose the scheduled penalty:

1. If the representative admits to the violation or fails to attend, impose the scheduled penalty for the 1st violation in a 36-month period of a \$300.00 fine

If your company's representative denies the allegation, staff will recommend that a contested case hearing be scheduled before an administrative law judge.

If you have any questions, please call me at (651) 458-6018.

Sincerely,

Michael McCormick
Community Impact Sergeant

CC: Peter J. Koerner – Director of Public Safety



City Council Action Request

11.B.

Meeting Date 11/19/2025

Department Administration

Agenda Category Action Item

Title Tobacco Violation — Hy-Vee Inc. (DBA: Hy-Vee Wine & Spirits)
7280 East Point Douglas Road

Staff Recommendation 1) Allow a business representative for the Hy-Vee Wine & Spirits to respond to the City Council regarding the underage sale of tobacco compliance check violation occurring on October 28, 2025. 2) Adopt Resolution 2025-169, imposing the scheduled penalty for the first violation in a 36-month period of a \$300.00 fine.

Budget Implication N/A

Attachments	1.	Memo - Tobacco Compliance Check Violation - Hy-Vee
	2.	Resolution - Hy-Vee Tobacco Penalty Nov 19 2025
	3.	Hy-Vee Liquor Tobacco Violation Letter
	4.	Hy-Vee CG25040510



To: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

From: Peter J Koerner, Director of Public Safety

Date: November 13, 2025

Subject: **Tobacco Compliance Check Violation – Hy-Vee Inc. (DBA: Hy-Vee Wine & Spirits)**

BACKGROUND

On October 28, 2025, the Cottage Grove Public Safety Department conducted tobacco compliance checks of Cottage Grove businesses holding tobacco and THC licenses by using an underage buyer. The following business failed the compliance check:

Hy-Vee Wine & Spirits, 7280 80th East Point Douglas Road South, Cottage Grove, MN 55016. This is the business's first violation in a 36-month period.

SUMMARY OF COMPLIANCE PROCESS

Cottage Grove Public Safety conducts biannual compliance checks at all establishments licensed to sell tobacco and THC products. This long-standing practice reflects our commitment to supporting businesses in adhering to state laws and city ordinances that regulate the sale of these substances.

We believe responsible sales practices are vital to community health and safety. Businesses play a key role in helping to prevent underage access to tobacco and THC, and we appreciate their continued efforts and cooperation. As part of our ongoing commitment to public safety, we will continue using compliance checks as a proactive tool. The addition of our Community Impact Unit and Community Engagement Officers has further enhanced our ability to build strong partnerships and provide training opportunities for local businesses.

PROGRAM OVERSIGHT

Community Impact Sergeant Michael McCormick currently oversees the Compliance Check Officer and provided the summary on the procedure.

VOLUNTEER RECRUITMENT AND REQUIREMENTS

To conduct these compliance checks, Cottage Grove Police Officers recruit volunteers from the community-individuals who are interested in public safety and committed to making a positive impact. Volunteers must:

- Be at least 17 but under 21 years old
- Hold a valid, current Minnesota driver's license or state-issued ID with a photo

Volunteer decoys are given the following instructions and actions are taken.

- Report to the police department at a pre-determined date and time in normal, everyday, clothing that they wear.
- Must not alter their appearance in any way.
- Photos of their appearance are taken prior to conducting the compliance checks and saved for documentation purposes.
- Volunteers are instructed that if asked, they are to state their real age.
- They are instructed that under no circumstances are they authorized to lie to an employee about who they are or misrepresent themselves.
- Volunteers are instructed to provide their MN State-issued identification (ID) or driver's license (DL) that has their true age and identity only if asked for.
- This ID or DL is reviewed and photographed by Officers prior to conducting the compliance checks.
- The volunteer is then provided with a monetary note for payment.
- This monetary note is photographed and saved for any violations that may occur to confirm a violation has occurred.

IDENTIFICATION STANDARDS

Since 2018, Minnesota has issued vertical driver's licenses and IDs for individuals under 21, featuring:

- A vertical layout for easy age identification- this provides a quick reference that the cardholder is a minor. Vertical licenses and ID cards are currently used in 46 other states.
- Age indicators:
 - "UNDER 18 UNTIL" in black text on a yellow bar.
 - "UNDER 21 UNTIL" in white text on a red bar.

Examples of both Minnesota driver's licenses:



COMPLIANCE CHECKING

PROCEDURE

- Officers transport volunteers in an unmarked vehicle to licensed establishments, identified via a list from the Washington County Department of Public Health and Environment.
- A form is completed for each visit, recording the date, time, volunteer, and employee details.
- The volunteer enters the establishment attempting to purchase a tobacco or THC product without guidance on specific items due to varying inventories.
- If a sale occurs, the volunteer returns to the officers with the product and, if possible, a receipt.

RESPONSE TO VIOLATION

If a sale is made to a volunteer:

- Officers enter the establishment with the volunteer, who identifies the employee responsible.
- Officers introduce themselves as Compliance Check Officers and confirm the sale with the employee.
- The manager or person in charge is notified of the violation.
- The employee is asked to explain the sale, including whether they checked for ID.
- A citation is issued via mail for the tobacco violations are charged for a misdemeanor under Cottage Grove City Code 3-5-8.
- THC violations are charged under Minnesota State Statute 152.0264 Subd. 2(2), as the city lacks a specific THC ordinance.
- The prerecorded monetary note is retrieved from the register as evidence, and any change is returned to the business.
- Officers address any questions or concerns from the employee or management before leaving, ensuring transparency and addressing any issues with the volunteer's conduct.

COMMITMENT TO BEST PRACTICE

Cottage Grove's compliance program aligns with best practices used throughout Minnesota and other jurisdictions, ensuring consistency, fairness, and effectiveness in preventing youth access to tobacco and THC products.

HY-VEE VIOLATION FACTS

The following is the narrative of the compliance violation that occurred on October 28, 2025, at approximately 5:29 p.m. at the Hy-Vee Liquor Store which is located at 7280 East Point Douglas Road South. Cottage Grove police report CG25040510 is attached for the record.

On 10/28/2025, Cottage Grove Police Officers Foster and Lemay conducted tobacco, and THC where applicable, compliance checks throughout the City of Cottage Grove. The volunteer "decoy" was identified by Minnesota picture driver's license as Decoy DOB: 8/17/2009 -16 years of age at the time of the compliance checks. Decoy was provided with two twenty-dollar American currency bills, that would be used in attempt to make purchases from businesses that sell tobacco and/or THC. Photographs of the twenty-dollar bills, Decoy himself at the time of the checks, and his Minnesota picture driver's license which was taken prior to the beginning of the detail.

After conducting compliance checks at several different stores throughout the City Decoy was brought to the Hy-Vee Liquor Store at 7280 East Point Douglas Road South. Officers, and Decoy arrived outside of the store, at approximately 5:29 pm, Decoy then walked into the store. After a short time, Decoy walked out of the business with a canister of 7MG Velo Max Spearmint smokeless nicotine pouches.

Decoy told officers that he walked into the store and asked for smokeless tobacco at which time he was presented with the Velo pouches. Decoy stated that after being provided with the Velo, he produced the twenty-dollar bill and gave it to the sole cashier, WHITNEY LYNN BAKER DOB 03/15/1987. WHITNEY then gave Decoy his change before he walked out the store. Decoy advised that at no time did WHITNEY ask Decoy 's age or to see his identification.

After speaking with Decoy, officers walked into the store and spoke with WHITNEY. WHITNEY advised that she did sell the Velo to Decoy. Officers asked WHITNEY if she scanned Decoy 's driver's license at which time she stated that the "scanner was having problems". Officers then advised WHITNEY that Decoy was 16 years of age, at which time WHITNEY stated, "I guess I need to do better".

Again, it should be noted that WHITNEY was the sole cashier working and was identified by her MN picture identification card. WHITNEY was advised that she would be receiving a citation in the mail for selling tobacco to a minor, which she stated she understood.

Body camera footage, photographs of the decoy's & their driver's licenses, the currency used, the package purchased, a copy of the receipt and compliance check form will be added to the case file.

A citation was mailed to WHITNEY for the following charge:

- 3.5.8(a) CG-Selling or Furnishing Tobacco or Tobacco Products to a minor
Misdemeanor

Recommendation

1. Allow a business representative from Hy-Vee Inc. to respond to the City Council regarding the underage sale of tobacco compliance check violation occurring October 28, 2025.
2. Adopt Resolution 2025-169, imposing the scheduled penalty for the first violation in a 36-month period of a \$300.00 fine.

**CITY OF COTTAGE GROVE
WASHINGTON COUNTY, MINNESOTA**

RESOLUTION NO. 2025-169

**A RESOLUTION FINDING A VIOLATION AND IMPOSING AN ADMINISTRATIVE
PENALTY FOR A FAILED COMPLIANCE CHECK AT
HY-VEE WINE & SPIRITS (7280 EAST POINT DOUGLAS ROAD)**

WHEREAS, Hy-Vee Inc. (DBA: Hy-Vee Wine & Spirits) holds a license to sell tobacco at 7280 East Point Douglas Road South, Cottage Grove, Minnesota expiring on December 31, 2025; and

WHEREAS, on October 28, 2025, the Cottage Grove Police Department, on behalf of the City, conducted a tobacco compliance check at Hy-Vee Wine & Spirits, which they failed by selling tobacco pouches to an underage decoy; and

WHEREAS, pursuant to Cottage Grove City Code § Chapter 5 Section 3-5-7, any licensee found to have failed a tobacco compliance check or whose employee shall have failed the tobacco compliance check shall be charged with an administrative penalty, which is \$300.00 for the first violation; and

WHEREAS, on November 6, 2025, the City of Cottage Grove sent Hy-Vee Wine & Spirits a notice of violation and administrative penalty and the opportunity to request a hearing before the City Council, and its store clerk was issued a misdemeanor citation under City Code § Chapter 5 Section 3-5-7 – selling or furnishing tobacco products to a minor

WHEREAS, the City Council held a hearing on November 19, 2025, where the license holder of Hy-Vee Wine & Spirits was given an opportunity to be heard and present testimony and evidence.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Cottage Grove, Minnesota, as follows:

1. The above and foregoing recitals are found to be true and correct and incorporated into the body of this Resolution for all purposes.
2. During the tobacco compliance check on October 25, 2025, an underage buyer working with the Cottage Grove Police Department purchased Velo Tobacco pouches at Hy-Vee Wine & Spirits from an employee.
3. No false or altered identification was used in making the purchase.
4. It is unlawful to sell tobacco products to any person under the age of 21 years.

5. The City served Hy-Vee Wine & Spirits with a notice of violation and administrative penalty on November 6, 2025, and provided the owner with the opportunity to request a hearing before the City Council, if requested within 10 days of the notice.
6. The hearing was held before the City Council on November 19, 2025 and all those wishing to be heard on the matter were heard and based on the evidence and testimony presented at the hearing, the City Council hereby found that Hy-Vee Wine & Spirits and its employee sold tobacco pouches to an individual under 21 in violation of the City Code § Chapter 5 Section 3-5-8.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the City Council of the City of Cottage Grove as follows:

1. Hy-Vee Inc. (DBA: Hy-Vee Wine & Spirits) is hereby assessed a \$300.00 administrative penalty. The penalty is to be remitted to the City by December 15, 2025.

Adopted by the City Council of the City of Cottage Grove, Minnesota, the 19th day of November 2025.

Myron Bailey
Mayor

ATTEST:

Tamara Anderson
City Clerk

November 6, 2025

Hy-Vee Wine & Spirits
7280 East Point Douglas Road South
Cottage Grove, MN 55016

RE: Tobacco License Violation — Hy-Vee Wine & Spirits

This letter is to request the presence of a representative of the Hy-Vee Liquor Store to attend the November 19, 2025, regular Cottage Grove City Council meeting. The City Council will ask your representative to admit or deny the allegation that your business location in Cottage Grove sold tobacco to a minor during a Public Safety Department compliance check on October 28, 2025. The City Council meeting will take place at 7:00 p.m. at Cottage Grove City Hall, 12800 Ravine Parkway, Cottage Grove, MN 55016.

If your representative admits to the allegation, or does not attend the meeting, the City Council will be asked to impose the scheduled penalty:

1. If the representative admits to the violation or fails to attend, impose the scheduled penalty for the 1st violation in a 36-month period of a \$300.00 fine

If your company's representative denies the allegation, staff will recommend that a contested case hearing be scheduled before an administrative law judge.

If you have any questions, please call me at (651) 458-6018.

Sincerely,

Michael McCormick
Community Impact Sergeant

CC: Peter J. Koerner – Director of Public Safety

INCIDENT REPORT NIBRS

COTTAGE GROVE POLICE DEPARTMENT

12800 Ravine Pkwy S
Cottage Grove, MN 55016
651-458-2850



CASE#	WHEN REPORTED	EVENT LOCATION
CG25040510	10/28/2025 17:29:00 REC'D BY: IN PERSON	7280 EAST POINT DOUGLAS RD S COTTAGE GROVE, MINNESOTA 55016

EVENT DETAILS	
Description: COMPLIANCE CHECK VIOLATIONS	Exceptional Clearance: NOT APPLICABLE

OFFENSE(S)		
Offense Level	Description	UCR/NIBRS Code
Misdemeanor	3.5.8(a) CG-Selling or Furnishing Tobacco or Tobacco Products to a Minor	90Z All Other Offenses

OFFICERS ASSIGNED (1)		
Involvement Date	Name	Type
10/28/2025 17:44:15	Foster, CG0118	Reporting

PARTIES INVOLVED (4)							
SUMMARY							
Suspect	#1	Baker , Whitney Lynn					
Person	#1	[REDACTED] **** Juvenile****					
Person	#2	[REDACTED] **** Juvenile****					
Business	#1	Hyvee (Cg)					
Suspect							
SUSPECTS (1)	Last Name	First Name		Middle Name		Suffix	
	BAKER	WHITNEY		LYNN			
	Address	City	State	Zip	Country		
	7712 HINTON AVE S Apt 8	COTTAGE GROVE	MN	55016-5751			
	DOB: 03/15/1987	Gender	Phone				
Age at time of incident: 38	F	(P) 702-913-6517					
Additional Information							
Related Offenses				Arrested?			
3.5.8(a) CG-Selling or Furnishing Tobacco or Tobacco Products to a Minor (90Z M)				No			
Person 1 (MISC ASSOCIATED NAMES) **** Juvenile****							
PERSONS (2)	Last Name	First Name		Middle Name		Suffix	
	[REDACTED]	[REDACTED]		[REDACTED]			
	Address	City	State	Zip	Country		
	[REDACTED]	COTTAGE GROVE	MN	55016-3156			
	DOB: 11/30/2009	Gender	Phone				
Age at time of incident: 15	M						
Additional Information							
Person 2 (MISC ASSOCIATED NAMES) **** Juvenile****							
Last Name		First Name		Middle Name		Suffix	
[REDACTED]		[REDACTED]		[REDACTED]			

INCIDENT REPORT NIBRS

COTTAGE GROVE POLICE DEPARTMENT

12800 Ravine Pkwy S
Cottage Grove, MN 55016
651-458-2850

CASE# CG25040510 cont'd



ORGS (1)	Address [REDACTED]		City [REDACTED]	State MN	Zip 55071-1449	Country
	DOB: 08/17/2009		Gender M	Phone		
	Age at time of incident: 16					
	Additional Information					
Org						
Victim Type:						
Name HyVee (CG)		Address 7280 EAST POINT DOUGLAS RD S COTTAGE GROVE, MN 55016		Phone		

OFFICER COMMENTS

Compliance check fail. Tobacco

NARRATIVES (1)

INCIDENT REPORT NIBRS

COTTAGE GROVE POLICE DEPARTMENT

12800 Ravine Pkwy S
Cottage Grove, MN 55016
651-458-2850

CASE# CG25040510 cont'd



Initial Report

Foster CG0118

10/28/2025 18:49:01

On 10/28/2025 myself and Officer Lemay conducted tobacco & THC compliance checks throughout the City of Cottage Grove. The decoys that were used were identified by their driver's license [REDACTED] DOB 11/30/2009 and [REDACTED] DOB 08/17/2009. At the time of the compliance checks, [REDACTED] was fifteen years of age and [REDACTED] was 16 years of age. Both [REDACTED] and [REDACTED] were provided with two (2) twenty-dollar American currency bill that would be used in attempt to make purchases from businesses that sell tobacco & THC products. Photographs of the currency, [REDACTED] and [REDACTED] and their picture driver's license were taken and eventually uploaded to the case file.

After conducting compliance checks at other stores throughout the city, [REDACTED] and [REDACTED] were driven to Hy-Vee which is located at 7280 East Point Douglas Road South. Officer Lemay and myself along with our decoys arrived at the business at approximately 1729 hours which is when [REDACTED] walked into the business. After a short time, [REDACTED] walked out of the business with a canister of 7MG Velo Max Spearmint smokeless nicotine pouches.

[REDACTED] told officers that he walked into the store and then asked for smokeless tobacco at which time he was presented with the Velo pouches. [REDACTED] stated that after being provided the Velo, he produced the twenty dollar bill and gave it to the sole cashier, WHITNEY LYNN BAKER DOB 03/15/1987. WHITNEY then gave [REDACTED] his change before he walked out the door. [REDACTED] advised that at no time did WHITNEY ask ZACHARY's age or to see his identification.

After speaking with [REDACTED], officers walked into the store and spoke with WHITNEY. WHITNEY advised that she did sell the Velo to [REDACTED]. I asked WHITNEY if she scanned [REDACTED]'s driver's license at which time she stated that the scanner was having problems. At this time, I advised WHITNEY that [REDACTED] was 16 years of age, at which time WHITNEY stated, "I guess I need to do better".

Again, it should be noted that WHITNEY was the sole cashier working and was identified by her MNPID card. WHITNEY was advised that she would be receiving a citation in the mail for selling tobacco to a minor, which she stated she understood.

A citation was mailed to WHITNEY for the following charge

- 3.5.8(a) CG-Selling or Furnishing Tobacco or Tobacco Products to a minor -Misdemeanor

Body camera footage, photograph's of the decoy's & their drivers license', the currency used and the package purchased will be added to the case file. A copy of the receipt and compliance check form will also be added to the case file. Nothing further to report at this time. Clear.



City Council Action Request

11.C.

Meeting Date 11/19/2025

Department Community Development

Agenda Category Action Item

Title Real Estate Equities Apartment Project

Staff Recommendation 1) Adopt the Development Agreement with Cottage Grove AH I, LLLP for the Real Estate Equities apartment project. 2) Approve the Local Affordable Housing Aid Agreement with Cottage Grove AH I, LLLP (Real Estate Equities), substantially in the form presented. Final approval and execution of the agreement is strictly pending review and approval by both the City Attorney and the attorney for Cottage Grove AH I, LLLP. 3) Approve Resolution 2025-160, authorizing the issuance, sale, and delivery of its multifamily housing revenue bonds (Hadley Ridge Apartments Project), Series 2025ABCD; approving the form of and authorizing the execution and delivery of such obligations and related documents; providing for the security rights, and remedies with respect to the obligation; and granting approval for certain other actions with respect thereto.

Budget Implication N/A

Attachments	1.	City Council Memo Real Estate Equities-Development Agreement, LAHA Agreement, and Conduit Debt Issuance v3
	2.	Item 1.0-REE Development Agreement Execution Copy 11-14-25
	3.	Item 2.0-REE CG Financial Analysis memo 11-13-25 from Ehlers
	4.	Item 2.1-LAHA Agreement V5
	5.	Item 2.2 42M Memo 11-13-25 Ehlers for LAHA
	6.	Item 3.0 Cottage Grove 2025 Housing Revenue Bonds - Letter from Taft regarding approval of conduit debt V3
	7.	Item 3.1 Cottage Grove, Bond Resolution 2025-160 Authorizing the issuance of multifamily revenue bonds V5

TO: Honorable Mayor and City Council
Jennifer Levitt, City Administrator

FROM: Samantha Pierret, Senior Planner
Emily Schmitz, Community Development Director
Brenda Malinowski, Finance Director

DATE: November 10, 2025

RE: Development Agreement, LAHA, and Bond Approval – Real Estate Equities

Development Agreement

Real Estate Equities has proposed to construct a 164-unit affordable rate multi-family housing rental apartment at Lot 1, Block 1 of the Preserve at Prairie Dunes Plat (10015 Hamlet Avenue S) to be called Hadley Ridge. There will be 3 units at 30% Annual Median Income (AMI), 15 units at 50% AMI, 122 units at 60% AMI, and 24 units at 70% AMI. The income averaging of the 164 units will be 60% AMI.

On June 18th, 2025, the City Council approved the Site Plan Review, Comprehensive Plan Amendment, and Zoning Amendment (Resolutions 2025-083, 2025-082, and Ordinance 1101) for the Real Estate Equities 164-unit affordable rate multi-family rental apartment project. The Met Council administratively approved the Comprehensive Plan Amendment on July 22, 2025.

Condition 13 of Resolution 2025-083 (Site Plan approval) requires the developer enter into a Development Agreement with the City prior to the issuance of any permits. The Development Agreement was signed by the developer on October 24, 2025. The Development Agreement was not approved in June with the other requests to give staff and the developer time to review and prepare final plans for public improvements required for the project.

Local Affordable Housing Aid (LAHA)

Local Affordable Housing Aid was established by the State in 2023, with the first payment received in 2024, to aid local governments in developing and preserving affordable housing. LAHA is funded through a dedicated sales tax of .25% in the seven-county metropolitan area. The Department of Revenue calculates the amount of LAHA that each community will receive of the dedicated sales tax, based on a household cost-burdened distribution factor.

The Real Estate Equities project meets the criteria to receive LAHA funds. Without the use of LAHA, there would have been a request to create a TIF District for this affordable housing project. With a TIF District, the increased tax capacity from the project would not have been added to the City's tax capacity until the end of the TIF District. With the use of LAHA, the increased tax capacity will be added as soon as the project is completed.

On June 18, 2025, the City Council approved Resolution 2025-092 supporting the use of Local Affordable Housing Aid for the Real Estate Equities project. The Resolution specified that the City of Cottage Grove would dedicate its LAHA funds for 2024, 2025, and 2026 in an estimated total amount of \$785,000 to the Real Estate Equities project. The funds will be issued as a forgivable loan.

Due to increased construction costs, Real Estate Equities requested an increase in the amount of LAHA funds. In addition, the 2025 LAHA amounts have been released by DOR (Department of Revenue) and it is higher than previously estimated. The new estimate for LAHA funds for 2024, 2025, and 2026 is \$916,000. Ehlers has reviewed the increased construction numbers and LAHA in the amount of \$916,000 is supported. Two separate memos from the City's municipal advisor, Ehlers, provides the analysis and support for the LAHA assistance.

Issuance of Multifamily Revenue Bonds (Conduit Debt)

A separate memo from the City's bond attorney, Taft Law, describes the Issuance of multifamily revenue bonds for this project in an amount not to exceed \$50,000,000. Council supported the issuance of the multifamily revenue bonds (conduit debt) on June 5, 2024, and August 6, 2025. This debt will not affect the City's credit rating or affect the city's bank-qualified status. In addition, the City has no financial obligation with respect to the bonds. As per the City's fee table, the City will receive a tax-exempt administrative issuance fee of 1% for the first \$10,000,000 of bonds issued and ½ of the 1% for the remaining amount of the bonds issued. Recently, these fees have been recorded in the EDA fund.

The substantially complete Trust Indenture agreement, Loan agreement, Regulatory agreement, and bond purchase agreements are on file and available for review, if requested. As per the resolution, the Mayor and City Administrator will be executing these agreements during the conduit bond issuance process.

Recommendation

1. Adopt the Development Agreement with Cottage Grove AH I, LLLP for the Real Estate Equities apartment project.
2. Approve the Local Affordable Housing Aid Agreement with Cottage Grove AH I, LLLP (Real Estate Equities) substantially in the form presented. Final approval and execution of the agreement is strictly pending review and approval by both the City Attorney and the attorney for Cottage Grove AH I, LLLP.

3. Approve Resolution 2025-160, authorizing the issuance, sale, and delivery of its multifamily housing revenue bonds (Hadley Ridge Apartments Project), Series 2025ABCD; approving the form of and authorizing the execution and delivery of such obligations and related documents; providing for the security rights, and remedies with respect to the obligation; and granting approval for certain other actions with respect thereto.

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF COTTAGE GROVE

AND

COTTAGE GROVE AH I, LLLP

FOR

HADLEY RIDGE

THIS DEVELOPMENT AGREEMENT is made and entered into this _____ day of _____, 2025 (“Effective Date”), by and between the City of Cottage Grove, a Minnesota municipal corporation (“CITY”), and Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership (“DEVELOPER”).

RECITALS

WHEREAS, in pursuit of the DEVELOPMENT PROJECT, the DEVELOPER has applied to the CITY for approval of the DEVELOPMENT PLANS; and

WHEREAS, in conjunction with the granting of these approvals, the CITY requires the installation and/or availability of certain public and private utilities such as sewer and water, storm sewer, stormwater ponds, and public and private right of way improvements, as more particularly set forth herein; and

WHEREAS, under authority granted to it, including Minnesota Statutes Chapters 412, 429, and 462, the COUNCIL approved the DEVELOPMENT PLANS on the following conditions:

1. That the DEVELOPER enters into this DEVELOPMENT AGREEMENT, which defines the work which the DEVELOPER undertakes to complete if the DEVELOPER proceeds with the DEVELOPMENT PROJECT; and
2. The DEVELOPER shall provide an irrevocable letter of credit and cash deposits in the amounts and with conditions satisfactory to the CITY, providing for assurance of payment for the actual construction and installation of the improvements, as required by Exhibits C and F.

WHEREAS, the DEVELOPMENT PLANS were prepared by a registered professional engineer and have been submitted to and approved by the CITY ENGINEER.

NOW, THEREFORE, subject to the terms and conditions of this DEVELOPMENT AGREEMENT and in reliance upon the representations, warranties and covenants of the parties herein contained, the CITY and DEVELOPER agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1. TERMS. The following terms, unless elsewhere defined specifically in the DEVELOPMENT AGREEMENT, shall have the following meanings as set forth below.

1.2. CITY. “CITY” means the City of Cottage Grove, a Minnesota municipal corporation.

1.3. CITY ENGINEER. “CITY ENGINEER” means the City Engineer of the City of Cottage Grove and his delegates.

1.4. CITY WARRANTIES. “CITY WARRANTIES” means all CITY WARRANTIES identified in Article 12 of this DEVELOPMENT AGREEMENT.

1.5. COUNCIL. “COUNCIL” means the Council of the City of Cottage Grove.

1.6. COUNTY. “COUNTY” means Washington County, Minnesota.

1.7. DEVELOPER. “DEVELOPER” means Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership.

1.8. DEVELOPER DEFAULT. “DEVELOPER DEFAULT” means and includes, jointly and severally, any of the following or any combination thereof:

- a) failure by the DEVELOPER to pay the CITY any money required to be paid under the DEVELOPMENT AGREEMENT;
- b) failure by the DEVELOPER to construct the DEVELOPER IMPROVEMENTS according to the DEVELOPMENT PLANS and the CITY standards and specifications;
- c) failure by the DEVELOPER to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this DEVELOPMENT AGREEMENT within thirty (30) days following DEVELOPER’S receipt of FORMAL NOTICE of such failure from the CITY; and
- d) breach of the DEVELOPER WARRANTIES

1.9. DEVELOPER IMPROVEMENTS. “DEVELOPER IMPROVEMENTS” means and includes, individually and collectively, all the improvements identified in Article 4.

1.10. DEVELOPER WARRANTIES. “DEVELOPER WARRANTIES” means all DEVELOPER WARRANTIES identified in Article 10 of this DEVELOPMENT AGREEMENT.

1.11. DEVELOPMENT AGREEMENT. “DEVELOPMENT AGREEMENT” means this instant agreement by and between the CITY and DEVELOPER.

1.12. DEVELOPMENT PLANS. “DEVELOPMENT PLANS” means all the plans, drawings, specifications, and surveys prepared dated September and prepared by Loucks Associates, or as may be revised, updated and approved by the CITY ENGINEER, which are hereby incorporated by reference and made a part of this DEVELOPMENT AGREEMENT.

1.13. DEVELOPMENT PROJECT. “DEVELOPMENT PROJECT” means a high-density multi-family building and other related improvements that will be constructed on the DEVELOPMENT PROPERTY that is substantially in conformance with the DEVELOPMENT PLANS and all planning approvals.

1.14. DEVELOPMENT PROPERTY. “DEVELOPMENT PROPERTY” means that real property legally described on Exhibit A, attached hereto, upon which the DEVELOPMENT PROJECT will be constructed.

1.15. FORMAL NOTICE. “FORMAL NOTICE” means notices given by one party to the other if in writing and if and when delivered or tendered in person, by depositing it in the United States mail in a sealed envelope, by certified mail, return receipt requested, with postage and postal charges prepaid, or by depositing it with an independent overnight courier service, addressed as follows:

If to CITY:

City of Cottage Grove
Attention: City Administrator
12800 Ravine Parkway South
Cottage Grove, MN 55016
Email: jlevitt@cottagegrovemn.gov

If to DEVELOPER:

Cottage Grove AH I, LLLP
Attention: Patrick Ostrom
579 Selby Avenue
St. Paul, MN 55102
Email: postrom@reeapartments.com

or to such other address as the party addressed shall have previously designated by notice given in accordance with this Section. Notices shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed as provided above, or on the next business day if deposited with the courier for overnight (next day) delivery, provided, that a notice not given as above shall, if it is in writing, be deemed given if and when actually received by a party. Attorneys for each party shall be authorized to give and receive notices for each such party.

1.16. INDIRECT COSTS. “INDIRECT COSTS” means the costs related to the following:

- a) Finance, administration and legal costs; and
- b) Engineering services performed by CITY staff; and
- c) Testing and Right of Way services; and
- d) Consulting engineering services.

1.17. OTHER REGULATORY AGENCIES. “OTHER REGULATORY AGENCIES” means and includes, individually and collectively, the following:

- a) Minnesota Department of Transportation

- b) Washington County
- c) Washington County Highway Department
- d) South Washington Watershed District
- e) Minnesota Department of Health
- f) Minnesota Pollution Control Agency
- g) Metropolitan Council
- h) Any other regulatory or governmental agency or entity affected by, or having jurisdiction over the DEVELOPER IMPROVEMENTS.

1.18. PUBLIC IMPROVEMENTS. “PUBLIC IMPROVEMENTS” means and includes, individually and collectively, all the improvements identified on Exhibit G and in Article 3.

1.19. UNAVOIDABLE DELAYS. “UNAVOIDABLE DELAYS” means: (a) an act, omission, or neglect of the CITY; (b) change orders and change requests that alter the scope of the DEVELOPER IMPROVEMENTS or the PUBLIC IMPROVEMENTS; (c) changes in law; (d) fire, explosion, catastrophe, accident, or other casualty; (e) strikes, lock-outs, or boycotts; (f) embargoes or shortages of material, energy, fuel, labor or other required products or items; (g) unusual delays in transportation; (h) severe or abnormal (in intensity or duration) weather conditions or other acts of nature, including but not limited to, earthquake, hurricane, tornado, drought, landslide, tsunami, lightning, or flood; (i) riots, insurrection, terrorism, war (declared or undeclared), or other armed conflict; (j) plague, epidemics, or quarantine; (k) unforeseen conditions; (l) action or inaction of governmental or quasi-governmental authorities, including delays in the issuance of any building permits or other approvals required for the DEVELOPER IMPROVEMENTS or the PUBLIC IMPROVEMENTS; or (m) events or causes beyond the DEVELOPER’S reasonable control.

1.20. UTILITY COMPANIES. “UTILITY COMPANIES” means and includes, jointly and severally, the following:

- a) Utility companies, including electric, gas and cable;
- b) Pipeline companies.

ARTICLE 2

[INTENTIONALLY BLANK]

ARTICLE 3

PUBLIC IMPROVEMENTS

3.1. PUBLIC IMPROVEMENTS. DEVELOPER shall construct and install, at its own cost, all PUBLIC IMPROVEMENTS identified on Exhibit G in accordance with industry standards for making public improvements.

3.2. RIGHT OF ENTRY AND ACCESS. The CITY hereby grants to DEVELOPER a right of entry and access over, across, upon and under those portions of the public property as may be necessary for the purpose of permitting the DEVELOPER to perform its obligations in connection with the construction and installation of the PUBLIC IMPROVEMENTS.

3.3. GROUND MATERIAL. The DEVELOPER shall construct and install the PUBLIC IMPROVEMENTS giving due consideration to the results of geotechnical testing conducted on the DEVELOPMENT PROPERTY should the same disclose any substandard or unstable material.

3.4. DEDICATION. Following substantial completion of the PUBLIC IMPROVEMENTS, the CITY shall inspect the PUBLIC IMPROVEMENTS and so long as the PUBLIC IMPROVEMENTS have been constructed and installed by DEVELOPER in substantial conformance with the DEVELOPMENT PLANS, DEVELOPER shall dedicate the PUBLIC IMPROVEMENTS to the CITY and the CITY shall accept the same and maintain the same in accordance with customary CITY standards, in good order, condition and repair and in accordance with applicable laws, including executing a Certificate of Completion in such a form as provided on Exhibit H, attached hereto, or in such other form or documentation as may be agreed to by and between the DEVELOPER and the CITY ENGINEER.

3.5. OBLIGATION TO CONSTRUCT PUBLIC IMPROVEMENTS. Notwithstanding anything to the contrary contained in this DEVELOPMENT AGREEMENT, the DEVELOPER shall have no obligation to construct and install the PUBLIC IMPROVEMENTS unless the DEVELOPER elects to proceed with the DEVELOPMENT PROJECT.

3.6. HAMLET AVENUE AND TRAIL CONSTRUCTION. Developer shall construct Hamlet Avenue, including concrete curb and gutter, bituminous pavement, storm sewer, street lights, and trail improvements as shown on the DEVELOPMENT PLANS. DEVELOPER shall provide a LOC as stated in Exhibit G prior to the commencement of work related to the Hamlet Avenue construction.

3.7. AREA CHARGES. The CITY imposes Area Charges for sanitary sewer, water and storm sewer impacts to all new developments pursuant to City Code Section 8-1-2 C.2 and the Fee Schedule. Such Area Charges are identified on Exhibit C.

ARTICLE 4

DEVELOPER IMPROVEMENTS

4.1. DEVELOPER IMPROVEMENTS. The DEVELOPER shall install, at its own cost, the DEVELOPER IMPROVEMENTS in accordance with the DEVELOPMENT PLANS and

in accordance with the approvals of the CITY Council, and all ordinances of the CITY or any amendments thereto and any miscellaneous requirements on Exhibit D, attached hereto, subject to Section 6.2.

4.2. GROUND MATERIAL. The DEVELOPER shall ensure that adequate and suitable ground material shall exist in the areas of public street and utility improvements and shall guarantee the removal, replacement or repair of substandard or unstable material through the warranty period. The cost of said removal, replacement or repair is the responsibility of the DEVELOPER.

4.3. GRADING/DRAINAGE PLAN AND EASEMENTS. The DEVELOPER shall construct drainage facilities to serve the DEVELOPMENT PROJECT in accordance with the DEVELOPMENT PLANS. The grading and drainage plans included within the DEVELOPMENT PLANS include storm sewer, catch basins, erosion control structures, and ponding areas necessary to conform to the overall CITY storm sewer plan. The grading of the site shall be completed in conformance with the DEVELOPMENT PLANS, subject only to such design criteria and engineering design and construction specifications as are used in the DEVELOPMENT PLANS notwithstanding any amendment.

Building construction and general construction activities are limited to Monday through Friday between the hours 7:00 AM and 7:00 PM and on Saturday between the hours of 9:00 AM and 7:00 PM. Site grading/excavation and street and utility construction activities are limited to Monday through Friday between the hours 7:00 AM and 7:00 PM and on Saturday between the hours of 9:00 AM and 7:00 PM.

4.4. SEWER AND WATERMAINS. DEVELOPER shall connect to CITY sewer through the available connections in Hadley Avenue and to CITY water through the available main in Hadley Avenue. DEVELOPER shall grant the CITY an access agreement for the hydrant.

4.5. STREET SWEEPING. During the initial construction of the DEVELOPMENT PROJECT, the DEVELOPER is responsible for the removal of all construction debris and earth materials within the public right-of-way adjacent to the DEVELOPMENT PROPERTY. The CITY will inspect the roadways to ensure the DEVELOPER is keeping all public roadway surfaces adjacent to the DEVELOPMENT PROPERTY clean. If any portion of such public roadway surface is found in an unacceptable condition, the CITY shall provide FORMAL NOTICE thereof to the DEVELOPER and if the DEVELOPER fails to remove the construction debris and earth materials within the public right-of-way adjacent to the DEVELOPMENT PROPERTY within the later of twenty-four (24) hours or one (1) business day following DEVELOPER'S receipt of FORMAL NOTICE from the CITY, then the CITY will have appropriate equipment dispatched to the site and all reasonable costs incurred by the CITY in connection with the clean-up effort will be billed to the DEVELOPER.

4.6. LANDSCAPING. The DEVELOPER is responsible for installing all landscaping improvements shown on the DEVELOPER'S approved landscape plan and complying with the LOC requirements in Section 15.1 and in Exhibit F.

4.7. EROSION CONTROL. The DEVELOPER shall provide and follow a plan for erosion control and pond maintenance in accord with the Best Management Practices (BMP) as delineated in the Minnesota Stormwater Manual and a grading permit from the CITY. Such plan is detailed on the DEVELOPMENT PLANS and has been approved by the CITY ENGINEER. The DEVELOPER shall install and maintain such erosion control structures as required by the DEVELOPMENT PLANS and as required in Exhibit D, or as it becomes necessary subsequent thereto and prior to substantial completion of the DEVELOPMENT PROJECT. The DEVELOPER shall be responsible for all damage caused as a result of grading and excavation including, but not limited to, restoration of existing control structures and clean-up of adjacent public right-of-way. The DEVELOPER shall seed or sod any disturbed areas in accordance with the DEVELOPMENT PLANS. After the site is rough graded, the DEVELOPER must provide erosion control devices that are required by the DEVELOPMENT PLANS. The parties recognize that time is of the essence in controlling erosion. If the DEVELOPER does not provide erosion control, the CITY may, after a twenty-four (24) hour FORMAL NOTICE, take appropriate action to control erosion. The City shall provide FORMAL NOTICE to the DEVELOPER of the costs incurred by the CITY to control erosion, and if the DEVELOPER fails to reimburse the CITY for such costs within thirty (30) days following the DEVELOPER'S receipt of FORMAL NOTICE from the City, then the CITY may, as its sole and exclusive remedy, draw upon any posted financial guarantee in accordance with the procedure set forth in Section 15.1 to pay costs incurred by the CITY in controlling erosion within the DEVELOPMENT PROPERTY.

4.8. WEED/GRASS MAINTENANCE. During initial construction of the DEVELOPMENT PROJECT, DEVELOPER must not allow or permit any weeds, grass, brush, or other rank vegetation to a height greater than eight (8) inches, or permit any accumulation of dead weeds, grass or brush. In the event the DEVELOPER fails to comply with this provision, the CITY may give the DEVELOPER FORMAL NOTICE to cut or remove material in violation of this paragraph. If the DEVELOPER fails to cut or remove material in violation of this paragraph within three (3) business days following the DEVELOPER'S receipt of such notice from the CITY, then the CITY may cut or remove material in violation of this paragraph and all costs of cutting or removing incurred by the CITY must be paid by the DEVELOPER within thirty (30) days following the DEVELOPER'S receipt of an invoice of such costs from the CITY, and if DEVELOPER fails to do so, the CITY may assess such costs against the DEVELOPMENT PROPERTY.

4.9. OBLIGATION TO CONSTRUCT DEVELOPER IMPROVEMENTS. Notwithstanding anything to the contrary contained in this DEVELOPMENT AGREEMENT, the DEVELOPER shall have no obligation to construct and install the DEVELOPER IMPROVEMENTS unless the DEVELOPER elects to proceed with the DEVELOPMENT PROJECT.

ARTICLE 5 **PARK DEDICATION**

5.1. PARK DEDICATION. The DEVELOPER shall comply with the park dedication requirements as defined in the City Code. Park dedication fees identified in Exhibit C must be paid prior to issuance of a building permit.

ARTICLE 6
PERMITS, LICENSES AND OTHER APPROVALS

6.1. PERMITS. The DEVELOPER shall apply for, and the CITY shall issue in a timely manner, the approvals, permits and licenses from the CITY, the OTHER REGULATORY AGENCIES and the UTILITY COMPANIES, as identified on Exhibit E attached hereto, and shall meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be met before the DEVELOPMENT IMPROVEMENTS and PUBLIC IMPROVEMENTS may be lawfully constructed. Major design requirements of any such entities were determined prior to completion and incorporated into the DEVELOPMENT PLANS. All costs incurred to obtain said approvals, permits and licenses, and also all fines or penalties levied by any agency due to the failure of the DEVELOPER to obtain or comply with conditions of such approvals, permits and licenses, shall be paid by the DEVELOPER.

ARTICLE 7
OTHER DEVELOPMENT REQUIREMENTS

7.1. MISCELLANEOUS REQUIREMENTS. The DEVELOPER shall comply with the additional requirements to approval of the DEVELOPMENT PROJECT as specified by the COUNCIL which are incorporated herein and identified on Exhibit D.

ARTICLE 8

[INTENTIONALLY BLANK]

ARTICLE 9
RESPONSIBILITY FOR COSTS

9.1. DEVELOPER AND PUBLIC IMPROVEMENT COSTS. The DEVELOPER shall pay for the DEVELOPER IMPROVEMENTS and PUBLIC IMPROVEMENTS; that is, all costs of persons doing work or furnishing skills, tools, machinery or materials, or insurance premiums or equipment or supplies and all just claims for the same; and the CITY shall be under no obligation to pay the contractor or any subcontractor any sum whatsoever on account thereof, whether or not the CITY shall have approved the contract or subcontract. DEVELOPER IMPROVEMENTS are identified on Exhibits C and F and PUBLIC IMPROVEMENTS are identified on Exhibit G.

The DEVELOPER is responsible for contracting and paying for the street and utility testing costs. The CITY's designated inspector on the DEVELOPMENT PROJECT will coordinate the street and utility testing activities. All testing reports shall be sent to the CITY with a copy to the DEVELOPER.

If deductions are owed on the street and utility construction pursuant to the MNDOT standards for construction, then these deductions will be paid by DEVELOPER to CITY within thirty (30) days after DEVELOPER receives notices of such deductions.

9.2. ENFORCEMENT COSTS. The DEVELOPER shall pay the CITY for costs incurred in the enforcement of this DEVELOPMENT AGREEMENT, including engineering costs

and reasonable attorneys' fees, if the CITY is the prevailing party in any such enforcement action. The CITY shall pay the DEVELOPER for costs incurred in the enforcement of this DEVELOPMENT AGREEMENT, including engineering costs and reasonable attorneys' fees, if the DEVELOPER is the prevailing party in any such enforcement action.

9.3. TIME OF PAYMENT. DEVELOPER shall pay all bills for all costs due under this DEVELOPMENT AGREEMENT, including INDIRECT COSTS, received by DEVELOPER from the CITY within thirty (30) days after billing. Bills not paid within thirty (30) days shall bear interest at the rate of eight percent (8%) per year.

ARTICLE 10 **DEVELOPER WARRANTIES**

10.1. STATEMENT OF DEVELOPER WARRANTIES. The DEVELOPER hereby warrants and represents the following:

- a) **AUTHORITY.** DEVELOPER is the contract purchaser of the DEVELOPMENT PROPERTY and has the right, power, legal capacity and authority to enter into and perform its obligations under this DEVELOPMENT AGREEMENT, and no approvals or consents of any persons are necessary in connection with the authority of DEVELOPER to enter into and perform its obligations under this DEVELOPMENT AGREEMENT.
- b) **NO DEFAULT.** DEVELOPER is not in default under any lease, contract or agreement to which it is a party or by which it is bound beyond applicable notice and cure periods which would affect performance under this DEVELOPMENT AGREEMENT. DEVELOPER is not a party to or bound by any mortgage, lien, lease, agreement, instrument, order, judgment or decree which would prohibit the execution or performance of this DEVELOPMENT AGREEMENT by DEVELOPER or prohibit any of the transactions provided for in this DEVELOPMENT AGREEMENT.
- c) **PRESENT COMPLIANCE WITH LAWS.** DEVELOPER has complied with and is not in violation of applicable federal, state or local statutes, laws, and regulations including, without limitation, permits and licenses and any applicable zoning, environmental or other law, ordinance or regulation affecting the DEVELOPMENT PLANS and the DEVELOPER IMPROVEMENTS; and DEVELOPER is not aware of any pending or threatened claim of any such violation.
- d) **CONTINUING COMPLIANCE WITH LAWS.** DEVELOPER will comply with all applicable federal, state and local statutes, laws and regulations including, without limitation, permits and licenses and any applicable zoning, environmental or other law, ordinance or regulation affecting the DEVELOPMENT PLANS and the DEVELOPER IMPROVEMENTS.

- e) **NO LITIGATION.** There is no suit, action, arbitration or legal, administrative or other proceeding or governmental investigation pending, or, to the best of the DEVELOPER'S knowledge, threatened against or affecting DEVELOPER or the DEVELOPMENT PROPERTY or the DEVELOPMENT PLANS or the DEVELOPER IMPROVEMENTS that would materially affect DEVELOPER'S performance under this DEVELOPMENT AGREEMENT. To the best of the DEVELOPER'S knowledge, DEVELOPER is not in default with respect to any order, writ, injunction or decree of any federal, state, local or foreign court, department, agency or instrumentality that would materially affect DEVELOPER'S performance under this DEVELOPMENT AGREEMENT.
- f) **FULL DISCLOSURE.** None of the representations and warranties made by DEVELOPER in this DEVELOPMENT AGREEMENT intentionally contains any untrue statement of material fact or intentionally omits any material fact the omission of which would be misleading. Any unintentional untrue statements or omissions shall be corrected or cured within thirty (30) days after the DEVELOPER receives FORMAL NOTICE, unless an extension is granted by the CITY.
- g) **DEVELOPMENT PLANS COMPLIANCE.** The DEVELOPMENT PLANS comply with all CITY, COUNTY, metropolitan, state and federal laws and regulations, including but not limited to, subdivision ordinances, zoning ordinances and environmental regulations.
- h) **WARRANTY ON PROPER WORK AND MATERIALS.** The DEVELOPER warrants all work required to be performed by it under this DEVELOPMENT AGREEMENT with respect to the PUBLIC IMPROVEMENTS only against defective material and faulty workmanship for a period of two (2) years after its completion and acceptance by the CITY. The DEVELOPER shall be solely responsible for all costs of performing repair work to the PUBLIC IMPROVEMENTS required by the CITY within thirty (30) days following FORMAL NOTICE from the CITY, provided the CITY gives such FORMAL NOTICE within such 2-year period. All trees, grass, and sod shall be warranted to be alive, of good quality, and disease free for one year after planting. Any replacements shall be similarly warranted for one year from the time of planting. The warranty period for street and drainage and erosion control improvements shall be for two (2) years after completion and acceptance by the CITY; the warranty for the street, drainage and erosion control improvements shall also include the obligation of the DEVELOPER to repair and correct any damage to or deficiency with respect to such improvements. Notwithstanding anything contained herein to the contrary, if the DEVELOPER provides an LOC as assurance to the CITY for DEVELOPER'S performance to construct the PUBLIC IMPROVEMENTS contemplated in this DEVELOPMENT AGREEMENT, such LOC shall terminate upon completion and not be required for any warranty period.
- i) **OBTAINING PERMITS.** The DEVELOPER shall obtain in a timely manner and pay for all required permits, licenses and approvals, and shall meet, in a timely

manner, all requirements of all applicable, local, state and federal laws and regulations which must be obtained or met before the DEVELOPER IMPROVEMENTS may be lawfully constructed. A list of the CITY permits, licenses, and approvals required is identified on Exhibit E.

ARTICLE 11

[INTENTIONALLY BLANK]

ARTICLE 12 **CITY WARRANTIES**

12.1. STATEMENT OF CITY WARRANTIES. The CITY hereby warrants and represents as follows:

- a) **ORGANIZATION.** CITY is a municipal corporation duly incorporated and validly existing in good standing the laws of the State of Minnesota.
- b) **AUTHORITY.** CITY has the right, power, legal capacity and authority to enter into and perform its obligations under this DEVELOPMENT AGREEMENT.

ARTICLE 13 **INDEMNIFICATION OF CITY**

13.1. INDEMNIFICATION OF CITY. Provided the CITY is not in DEFAULT under the DEVELOPMENT AGREEMENT with respect to the particular matter causing the claim, loss or damage, DEVELOPER shall indemnify, defend and hold the CITY, its COUNCIL, agents, employees, attorneys and representatives harmless from and against any and all claims, demands, actions, suits, proceedings, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties and attorneys' fees, that the CITY incurs or suffers, which arise out of, result from or relate to:

- a) breach by the DEVELOPER of the DEVELOPER WARRANTIES;
- b) failure of the DEVELOPER to timely construct the DEVELOPER IMPROVEMENTS according to the DEVELOPMENT PLANS and the CITY ordinances, standards and specifications;
- c) failure by the DEVELOPER to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this DEVELOPMENT AGREEMENT;
- d) failure by the DEVELOPER to pay contractors, subcontractors, laborers, or materialmen;
- e) failure by the DEVELOPER to pay for materials;

- f) approval by the CITY of the DEVELOPMENT PLANS;
- g) failure to obtain the necessary permits and authorizations to construct the DEVELOPER IMPROVEMENTS;
- h) construction of the DEVELOPER IMPROVEMENTS;
- i) delays in construction of the DEVELOPER IMPROVEMENTS;
- j) payment by DEVELOPER for any required costs or assessments;
- k) all costs and liabilities arising because building permits were issued prior to the completion and acceptance of the DEVELOPER IMPROVEMENTS.

13.2. NOTICE. Within a reasonable period of time after the CITY'S receipt of actual notice of any matter giving rise to a right of payment against the CITY pursuant to Section 13.1, the CITY shall give the FORMAL NOTICE in reasonable detail to the DEVELOPER. The DEVELOPER shall not be obligated to make any payment to the CITY for any such claim until the passage of thirty (30) days from the date of its receipt of FORMAL NOTICE from the CITY, during which time the DEVELOPER shall have the right to cure or remedy the event leading to such claim.

13.3. DEFENSE OF CLAIM. Provided the CITY is not in DEFAULT under the DEVELOPMENT AGREEMENT with respect to the particular matter causing the claim or demand, with respect to claims or demands asserted against the CITY by a third party of the nature covered by Section 13.1, and provided that the CITY gives FORMAL NOTICE thereof, the DEVELOPER will, at its sole expense, provide for the defense thereof with counsel of its own selection but approved by the CITY; the DEVELOPER will pay all costs and expenses including attorneys' fees incurred in so defending against such claims, provided that the CITY shall at all times also have the right to fully participate in the defense at the CITY'S expense. If the DEVELOPER fails to defend within ten (10) days following DEVELOPER'S receipt of FORMAL NOTICE from the CITY of DEVELOPER'S defense obligations hereunder, then the CITY shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter, for the account of and at the risk of the DEVELOPER.

ARTICLE 14

CITY REMEDIES UPON DEVELOPER DEFAULT

14.1. CITY REMEDIES. If a DEVELOPER DEFAULT occurs, that is not caused by UNAVOIDABLE DELAYS, the CITY shall give the DEVELOPER FORMAL NOTICE of the DEVELOPER DEFAULT and the DEVELOPER shall have thirty (30) days to cure the DEVELOPER DEFAULT. If the DEVELOPER, after FORMAL NOTICE to it by the CITY, does not cure the DEVELOPER DEFAULT, then the CITY may avail itself of any remedy afforded by law and any of the following remedies:

- a) the CITY may specifically enforce this DEVELOPMENT AGREEMENT;

- b) the CITY may suspend any work, improvement or obligation to be performed by the CITY;
- c) the CITY may collect on the irrevocable letter of credit (“LOC”), or cash deposit pursuant to Article 15 hereof;
- d) the CITY may suspend or deny building and occupancy permits.
- e) the CITY may, at its sole option, perform the work or improvements to be performed by the DEVELOPER, in which case the DEVELOPER shall within thirty (30) days after written billing by the CITY reimburse the CITY for any costs and expenses incurred by the CITY. In the alternative, the CITY may in whole or in part, specially assess any of the costs and expenses incurred by the CITY; and the DEVELOPER hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessment resulting therefrom, including, but not limited to, notice and hearing requirement and any claim that the special assessments exceed benefit to the DEVELOPMENT PLANS. The DEVELOPER hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.

14.2. NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER. In the event any agreement contained in this DEVELOPMENT AGREEMENT is breached by the DEVELOPER and thereafter waived in writing by the CITY, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder. All waivers by the CITY must be in writing.

14.3. NO REMEDY EXCLUSIVE. Except as otherwise expressly set forth herein, no remedy herein conferred upon or reserved to the CITY or DEVELOPER shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the DEVELOPMENT AGREEMENT or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the CITY or DEVELOPER to exercise any remedy reserved to it, it shall not be necessary to give notice, other than the FORMAL NOTICE.

14.4. EMERGENCY. Notwithstanding the requirement contained in Section 14.1 hereof relating to FORMAL NOTICE to the DEVELOPER in case of a DEVELOPER DEFAULT and notwithstanding the requirement contained in Section 14.1 hereof relating to giving the DEVELOPER a right to cure the DEVELOPER DEFAULT, in the event of an emergency as reasonably determined by the CITY ENGINEER, resulting from the DEVELOPER DEFAULT, the CITY may perform the work or improvement to be performed by the DEVELOPER without giving any notice or FORMAL NOTICE to the DEVELOPER (provided, however, the CITY shall give DEVELOPER such notice as is reasonable under the circumstances) and without giving the DEVELOPER the right to cure the DEVELOPER DEFAULT. In such case, the DEVELOPER shall within thirty (30) days after written

billing by the CITY reimburse the CITY for any and all costs incurred by the CITY. In the alternative, the CITY may, in whole or in part, specially assess the costs and expenses incurred by the CITY; and the DEVELOPER hereby waives any and all procedural and substantive objections to the installation and construction of the work and improvements and the special assessments resulting therefrom, including, but not limited to, notice and hearing requirements and any claim that the special assessments exceed benefit to the DEVELOPMENT PROPERTY. The DEVELOPER hereby waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.

ARTICLE 15 **FINANCIAL OBLIGATIONS**

15.1. DEVELOPER'S LETTER OF CREDIT AMOUNT. Prior to the issuance of building permits, the DEVELOPER shall deposit with the CITY an irrevocable LOC for the amounts required in Exhibits C and F. In lieu of an irrevocable LOC, DEVELOPER may deposit cash or other security acceptable to CITY.

All cost estimates shall be acceptable to the CITY ENGINEER. The bank and form of the irrevocable LOC shall be subject to approval by the CITY Finance Director and shall continue to be in full force and effect until released by the CITY. The irrevocable LOC shall have auto-renewal terms. The irrevocable LOC shall secure compliance by the DEVELOPER with the terms of this DEVELOPMENT AGREEMENT. The CITY may draw down on the irrevocable LOC or cash deposit, without any further notice than that provided in Section 14.1 relating to a DEVELOPER DEFAULT, for any of the following reasons:

- a) a DEVELOPER DEFAULT; or
- b) upon the CITY receiving notice that the irrevocable LOC will be allowed to lapse.

The CITY shall use the LOC proceeds to reimburse the CITY for its costs and to cause the DEVELOPER IMPROVEMENTS to be constructed to the extent practicable; if the CITY ENGINEER determines that such DEVELOPER IMPROVEMENTS have been constructed and after retaining 10% of the proceeds for later distribution pursuant to Section 15.2, the remaining proceeds shall be distributed to the DEVELOPER.

With CITY approval, the irrevocable LOC may be reduced pursuant to Section 15.2 from time to time as financial obligations are paid.

15.2. ESCROW RELEASE AND ESCROW INCREASE; DEVELOPER IMPROVEMENTS. The DEVELOPER may request that the LOC or cash deposits required by the DEVELOPMENT AGREEMENT be reduced at the following intervals:

- a) Up to two grading reductions at least two months apart. Pond cleaning portion of the LOC is retained until a full certificate of occupancy has been issued;
- b) Up to two public improvement reductions at least two months apart;

- c) At time of completion of the landscaping improvements, the City will reduce all but 50% of any landscaping LOC, which shall be held until the expiration of the 1-year warranty period.

If it is determined by the CITY that the DEVELOPMENT PLANS were not strictly adhered to, or that work was done without CITY inspection, the CITY may require, as a condition of acceptance, that the DEVELOPER post an irrevocable LOC, or cash deposit equal to 125% of the estimated amount necessary to correct the deficiency or to protect against deficiencies arising therefrom. In the event that work, which is concealed, was done without permitting CITY inspection, then the CITY may, in the alternative, require the concealed condition to be exposed for inspection purposes.

15.3. DEVELOPER'S CASH REQUIREMENTS. DEVELOPER shall deposit cash with the CITY for those items and in the amounts required in Exhibit C at the time stated in Exhibit D.1.

ARTICLE 16 **MISCELLANEOUS**

16.1. CITY'S DUTIES. The terms of this DEVELOPMENT AGREEMENT shall not be considered an affirmative duty upon the CITY to complete any DEVELOPER IMPROVEMENTS.

16.2. COMMENCEMENT AND COMPLETION OF CONSTRUCTION.

- a) Subject to UNAVOIDABLE DELAYS, DEVELOPER shall use reasonable efforts after work commences to make the sanitary connection in Hadley Avenue without impacting traffic flow except as necessary to protect the public safety, using appropriate traffic control measures and shall have all work associated with the connection, including patching the roadway, completed within 10 consecutive calendar days.
- b) Subject to UNAVOIDABLE DELAYS, DEVELOPER shall use reasonable efforts to substantially complete improvements within Hamlet Avenue within one construction season. Hamlet Avenue construction must be substantially complete completed and approved by the CITY for each area listed below before the temporary Certificate of Occupancy is issued. As identified on the drawings, substantial completion will include, but is not limited to the following:
 - a) Utility improvements;
 - b) Concrete curb and gutter and pedestrian ramps;
 - c) Bituminous trail;
 - d) Restoration;

- e) Final wear course;
- f) Traffic signs;
- c) Hamlet Avenue must remain open to construction traffic and emergency vehicles at all times unless a full closure is allowed by the CITY ENGINEER in writing. Hamlet Avenue construction must reach final completion and approval by the CITY for each area listed below before the final Certificate of Occupancy is issued. As identified on the drawings, final completion will include, but is not limited to the following:
 - a) Establishment of restoration;
 - b) Final clean up; and
 - c) Final inspection.

All work with respect to the DEVELOPMENT PROJECT to be constructed or provided by DEVELOPER on the DEVELOPMENT PROPERTY shall be in substantial conformity with the DEVELOPMENT PLANS and DEVELOPER will not materially modify the size or exterior appearance of the DEVELOPMENT PROJECT without the consent of the CITY, which consent shall not be unreasonably withheld. DEVELOPER shall coordinate all PUBLIC IMPROVEMENT construction activities with the CITY as it relates to other CITY construction projects in the vicinity of the DEVELOPMENT PROJECT and DEVELOPMENT PROPERTY.

16.3. NO THIRD-PARTY RECOURSE. Third parties shall have no recourse against the CITY under this DEVELOPMENT AGREEMENT.

16.4. VALIDITY. If any portion, section, subsection, sentence, clause, paragraph or phrase of this DEVELOPMENT AGREEMENT is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this DEVELOPMENT AGREEMENT.

16.5. RECORDING. The DEVELOPMENT AGREEMENT shall be recorded with the COUNTY Recorder and the DEVELOPER shall provide and execute any and all documents necessary to implement the recording.

16.6. BINDING AGREEMENT. The parties mutually recognize and agree that all terms and conditions of this recordable DEVELOPMENT AGREEMENT shall run with the land on the DEVELOPMENT PROPERTY and shall be binding upon the successors and assigns of the DEVELOPER. This DEVELOPMENT AGREEMENT shall also run with and be binding upon any after acquired interest of the DEVELOPER in the DEVELOPMENT PROPERTY.

16.7. CONTRACT ASSIGNMENT. The DEVELOPER may not assign this DEVELOPMENT AGREEMENT without the prior written consent of the COUNCIL, which approval will not be unreasonably withheld. In such case, the third-party buyer will be required to accept and assume all contractual and financial responsibilities provided in this DEVELOPMENT

AGREEMENT. Upon satisfaction of such requirements by such third-party buyer, the DEVELOPER'S obligations hereunder shall terminate. Absent approval of the Council, the DEVELOPER'S obligations hereunder shall continue in full force and effect, even if the DEVELOPER sells the DEVELOPMENT PROPERTY.

16.8. AMENDMENT AND WAIVER. The parties hereto may by mutual written agreement amend this DEVELOPMENT AGREEMENT in any respect. Any party hereto may extend the time for the performance of any of the obligations of another, waive any inaccuracies in representations by another contained in this DEVELOPMENT AGREEMENT or in any document delivered pursuant hereto which inaccuracies would otherwise constitute a breach of this DEVELOPMENT AGREEMENT, waive compliance by another with any of the covenants contained in this DEVELOPMENT AGREEMENT, waive performance of any obligations by the other or waive the fulfillment of any condition that is precedent to the performance by the party so waiving of any of its obligations under this DEVELOPMENT AGREEMENT. Any agreement on the part of any party for any such amendment, extension or waiver must be in writing. No waiver of any of the provisions of this DEVELOPMENT AGREEMENT shall be deemed, or shall constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver.

16.9. GOVERNING LAW. This DEVELOPMENT AGREEMENT shall be governed by and construed in accordance with the laws of the State of Minnesota.

16.10. COUNTERPARTS. This DEVELOPMENT AGREEMENT may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

16.11. HEADINGS. The subject headings of the paragraphs and subparagraphs of this DEVELOPMENT AGREEMENT are included for purposes of convenience only and shall not affect the construction of interpretation of any of its provisions.

16.12. INCONSISTENCY. If the DEVELOPMENT PLANS are inconsistent with the words of this DEVELOPMENT AGREEMENT or if the obligation imposed hereunder upon the DEVELOPER are inconsistent, then that provision or term which imposes a greater and more demanding obligation on the DEVELOPER shall prevail.

16.13. ACCESS. The DEVELOPER hereby grants to the CITY, its agents, employees, officers, and contractors a license and right of entry to enter the DEVELOPMENT PROPERTY to perform all work and inspections deemed appropriate by the CITY during the installation of DEVELOPER IMPROVEMENTS and PUBLIC IMPROVEMENTS.

16.14. FURTHER ASSURANCES AND WAIVER. The CITY and DEVELOPER hereto shall do all things necessary or appropriate to carry out the terms and provisions of this DEVELOPMENT AGREEMENT and to aid in assist each other in carrying out the terms and objectives of this DEVELOPMENT AGREEMENT and the intentions of the CITY AND DEVELOPER as reflected by said terms and provisions, including, without limitation, the giving of such notices, the holding of such public hearings, the enactment by the CITY of such resolutions and ordinances and the taking of such other actions as may be necessary to enable the parties' compliance

with the terms and provisions of this DEVELOPMENT AGREEMENT all as may be necessary to give effect to the terms and objectives of this DEVELOPMENT AGREEMENT and the intentions of the parties as reflected by said terms.

16.15. ESTOPPEL CERTIFICATE. The CITY agrees that it will, from time to time, upon request by the DEVELOPER, execute and deliver to DEVELOPER and to any parties designated by the DEVELOPER, within ten (10) days following request therefor, an estoppel certificate on DEVELOPER'S form, certifying (i) that this DEVELOPMENT AGREEMENT is unmodified and in full force and effect (or if there had been modifications, that the same are in full force and effect as so modified), (ii) that there are no defaults hereunder (or specifying any claimed defaults), and (iii) such other matters as may be reasonably requested by DEVELOPER, including, without limitation, certifications as to the completion and acceptance of the PUBLIC IMPROVEMENTS contemplated hereby, and the amount of the security outstanding.

16.16. MORTGAGEE'S PROTECTION. The obligations of DEVELOPER and its successors under this DEVELOPMENT AGREEMENT shall not be binding upon any mortgage, ground lessors, sale-leaseback lessors and/or trust deed holders (collectively, "MORTGAGEE") that acquire title to all or any portion of the DEVELOPMENT PROPERTY by trustee's sale, foreclosure, or deed-in-lieu of foreclosure or otherwise, but any such MORTGAGEE shall not be entitled to proceed with development of the DEVELOPMENT PROJECT or portion thereof unless and until such MORTGAGEE has consented in writing to be bound by all of the terms, covenants and conditions of this DEVELOPMENT AGREEMENT. The CITY agrees to give any Mortgagees, by registered or certified mail, a copy of any notice of default served upon DEVELOPER, provided that prior to such notice the CITY has been notified, in writing (by way of notice of Assignment of Rents and Leases or otherwise) of the address of such Mortgagee. The CITY further agrees that, except in instances where there is an imminent likelihood that public health or safety would be materially and adversely affected by such default, if DEVELOPER shall fail to cure such default within the time provided in this DEVELOPMENT AGREEMENT, then such Mortgagee shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within such 30-day time period, then such additional time as may be necessary if within such 30-day period, such Mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including, without limitation, commencement of foreclosure proceedings, if necessary to effect such cure) in which event this DEVELOPMENT AGREEMENT shall not be terminated nor shall the CITY exercise any rights or remedies hereunder while such remedies are being so diligently pursued.

16.17. CONSENTS. Whenever the consent or approval of either party is required under this DEVELOPMENT AGREEMENT, such consent shall not be unreasonably withheld, delayed or conditioned. Each party shall act in good faith and in a commercially reasonable manner with respect to any matter contemplated by this DEVELOPMENT AGREEMENT, including, without limitation, approving or disapproving any request, including any request for reduction of any security or approval of plans.

16.18. LIABILITY. The CITY agrees to look to the interest of the DEVELOPER in the DEVELOPMENT PROPERTY for the recovery of any judgment from the DEVELOPER, it being agreed that the DEVELOPER and its successors, partners, directors, officers, members, managers or shareholders shall never be personally liable for any such judgment.

16.19. TERMINATION OF DEVELOPMENT AGREEMENT. Upon satisfaction of the requirements DEVELOPER to construct certain improvements as described herein and upon the expiration of any warranty period provided herein, this DEVELOPMENT AGREEMENT shall automatically terminate and be of no further force or effect and the CITY and DEVELOPER shall record a termination of this DEVELOPMENT AGREEMENT in the property records for the DEVELOPMENT PROPERTY.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this DEVELOPMENT AGREEMENT as of the Effective Date.

CITY:
CITY OF COTTAGE GROVE

By: _____
Myron Bailey
Its Mayor

By: _____
Tamara Anderson
Its City Clerk

STATE OF MINNESOTA)
)
COUNTY OF WASHINGTON) ss.

On this _____ day of _____, 2025, before me a Notary Public within and for said County, personally appeared Myron Bailey and Tamara Anderson to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Cottage Grove, the municipality named in the foregoing instrument, and that the said instrument was signed in behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

DEVELOPER:

COTTAGE GROVE AH I, LLLP

A Minnesota limited liability limited partnership

By: Cottage Grove AH I, LLC, a Minnesota limited liability company

Its: General Partner

By: _____

Patrick Ostrom

Its: Vice President

STATE OF MINNESOTA)

)

COUNTY OF _____)

On this _____ day of _____, 2025, before me a Notary Public within and for said County, personally appeared Patrick Ostrom to me personally known, who being by me duly sworn, did say that he is the Vice President of Cottage Grove AH I, LLC, a Minnesota limited liability company, the General Partner of Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership, the entity named in the foregoing instrument and that said instrument was signed on behalf of said limited liability limited partnership.

Notary Public

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

Korine Land, #262432
LeVander, Gillen, & Miller, P.A.
1305 Corporate Center, Suite 300
Eagan, MN 55121
(651) 451-1831

EXHIBIT A
DEVELOPMENT PROPERTY

Real property situated in the City of Cottage Grove, County of Washington, State of Minnesota,
legally described as:

Lot 1, Block 1, Preserve at Prairie Dunes

PID: 2902721220002

EXHIBIT B

[INTENTIONALLY BLANK]

EXHIBIT C
DEVELOPER IMPROVEMENTS
CASH REQUIREMENTS AND
INDIRECT COST CASH ESCROW

CITY FEES

City Fees	Unit	Qty	Unit Cost	Total
City Supplied Poles & Luminaires (LGT-7)	EA	2	\$ 3,601.40	\$ 7,202.80
Street Light Utility Surcharge	AC	6.25	\$ 379.20	\$ 2,370.00
Seal Coating: Trails	SY	541	\$ 2.50	\$ 1,352.50
Sanitary Sewer Connection Fee, Residential	UNITS	164	\$ 410.00	\$ 67,240.00
Water Works Connection Fee, Residential	UNITS	164	\$ 330.00	\$ 54,120.00
Park Dedication Fees	UNITS	164	\$ 2,200.00	\$360,800.00
Business Park AUAR Charge	AC	6.25	\$ 111.00	\$ 693.75
Deferred Assessments ¹	LS	1	\$ 189,174.52	\$189,174.52
2% Engineering Fee	LS	1	\$ 6,119.97	\$ 6,119.97
Total Fees				\$689,073.54

1. South District Assessment Paid at Closing

AREA CHARGES

Area Charges	Cost/Acre	Acres	Total
Sanitary Area Charge - South District Upper	\$ 3,600.00	5.91	\$ 21,276.00
Water Area Charge - Remainder of City	\$ 6,010.00	5.91	\$ 35,519.10
Storm Area Charge - South District	\$ 13,370.00	5.91	\$ 79,016.70
Total Area Charges:			\$ 135,811.80

ENGINEERING ESCROW

Engineering Escrow	Total
Plan Review	\$ 30,000.00
Inspection	\$ 40,000.00
Total Escrow:	\$ 70,000.00

TREE MITIGATION – ENTIRE DEVELOPMENT

Tree Mitigation – Entire Development	Total
Tree Mitigation Fee	\$ 15,165.00
Total Escrow:	\$ 15,165.00

EXHIBIT D
MISCELLANEOUS REQUIREMENTS AND CONDITIONS
IMPOSED BY THE CITY

- 1) **CONDITIONS TO BE SATISFIED BEFORE CITY RELEASES BUILDING PERMITS.**
 - a) Cash and Letter of Credit. DEVELOPER must provide the Cash and LOC for the amounts stated on Exhibits C, F and G of this DEVELOPMENT AGREEMENT.
 - b) DEVELOPER shall record an Encroachment and Maintenance Agreement for sidewalk access to trails along Hamlet Avenue and 100th Street.
 - c) DEVELOPER shall record a Stormwater Maintenance Agreement for the stormwater ponds.
 - d) DEVELOPER shall record a Hydrant Access Agreement.
- 2) **CERTIFICATE OF OCCUPANCY.** Prior to issuance of any final certificate of occupancy, all the following conditions must be satisfied:
 - a) All the conditions listed in Paragraph 1 and 2 of this Exhibit D must be satisfied.
 - b) Hamlet Avenue shall be fully constructed and accepted by CITY.
 - c) As-built surveys have been received by the CITY.
 - d) All trees and shrubs required in Section 4.17(c) have been planted.
 - e) DEVELOPER shall update stormwater model with as built conditions and provide for review and approval by CITY ENGINEER.
 - f) DEVELOPER will acknowledge any deviations from CITY stormwater requirements in writing.
- 3) **SUBDIVISION EROSION CONTROL.** DEVELOPER is responsible for erosion control throughout the DEVELOPMENT PROPERTY pursuant to the NPDES permit until the lot is built upon and until turf is established.
- 4) **CLEAN UP OF CONSTRUCTION DEBRIS ON STREETS AND ADJOINING PROPERTY.** The escrow amount stated on Exhibit G shall include an appropriate amount as determined by the Director of Public Works to ensure that the DEVELOPER removes any construction debris from streets adjoining the DEVELOPMENT PROPERTY and from private properties that adjoin the DEVELOPMENT PROPERTY. During the construction of the building and other improvements within the DEVELOPMENT PROPERTY, the

DEVELOPER is responsible for removing any construction debris (including roofing materials, paper wrappings, construction material and other waste products resulting from construction) that may be blown from the construction site into adjoining private properties or into CITY streets or that may fall from delivery trucks onto adjoining private properties or CITY streets. Further, during construction, the DEVELOPER must clear the CITY streets of any dirt or other earthen material that may fall onto the CITY streets from the delivery trucks that are being used in the excavation and grading of the site.

- 5) **SIDEWALK SNOW REMOVAL AND TRAIL MAINTENANCE.** The CITY will not provide snow removal of private sidewalks, even those in the right of way.

EXHIBIT E
PERMITS, LICENSES AND OTHER APPROVALS

1. Any licenses or permits required by the Minnesota Department of Health.
2. NPDES Permit from the MPCA.
3. Right of Way Permit from the CITY.
4. Grading Permit from the CITY.
5. Any contractor licenses from the CITY or the State of Minnesota.
6. Building Permits from the CITY.
7. Electrical Permits from the CITY.
8. Utility permits that may be required from the CITY, State of Minnesota or any utility company.

EXHIBIT F
DEVELOPER IMPROVEMENTS
LETTERS OF CREDIT

GRADING LOC

Grading LOC	Unit	Qty	Unit Cost	Total
Site Grading Restoration: Topsoil	CY	3,500.00	\$ 2.00	\$ 7,000.00
Site Grading: MnDOT 250 Seed & Mulch	AC	6.60	\$ 2,000.00	\$ 13,200.00
Misc. Site Grading	LS	1.00	\$ 8,000.00	\$ 8,000.00
Erosion Control: Temp Rock Entrance	EA	1.00	\$ 3,000.00	\$ 3,000.00
Erosion Control: Silt Fence	LF	2,220.00	\$ 3.00	\$ 6,660.00
Erosion Control: Swale & EOF Blanket	SY	2,620.00	\$ 3.00	\$ 7,860.00
Street Sweeper w/ Pickup Broom	HR	8.00	\$ 175.00	\$ 1,400.00
Pond Cleaning	LS	1.00	\$ 10,000.00	\$ 10,000.00
Grading Record Plan	LS	1.00	\$ 5,000.00	\$ 5,000.00
Total Grading Restoration Cost				\$ 62,120.00
Grading LOC 150%				\$ 93,180.00

LANDSCAPING LOC

Landscape LOC	Total
Landscaping Estimate	\$ 193,000.00
Total LOC (150%):	\$ 289,500.00

EXHIBIT G
PUBLIC IMPROVEMENTS
LETTER OF CREDIT

Public Improvement LOC	Estimated Construction Cost
Sanitary Sewer	\$ 17,855.00
Watermain	\$ 34,660.00
Storm Sewer	\$ 62,776.75
Streets	\$ 170,056.99
Street Lighting	\$ 20,650.00
Subtotal:	\$ 305,998.74
LOC (125%)	\$ 382,498.43
Record Plan (2%)	\$ 6,120.00
Total Public Improvement LOC	\$ 388,618.43

EXHIBIT H
FORM OF CERTIFICATE OF COMPLETION

CERTIFICATE OF COMPLETION

WHEREAS, the City of Cottage Grove, a Minnesota municipal corporation (the “City”) and Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership (“Developer”) entered into a Development Agreement recorded in the office of the County Recorder in Washington County, Minnesota, as Document No. _____ (“Development Agreement”), over the following described land in County of Washington and State of Minnesota, to-wit:

Lot 1, Block 1, Preserve at Prairie Dunes

Washington County, Minnesota
Abstract Property
PID: 2902721220002

and

WHEREAS, the Development Agreement contained certain covenants and restrictions regarding completion of certain improvements; and

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

NOW, THEREFORE, this is to certify that all construction of the improvements specified to be done and made by the Developer has been completed and the covenants and conditions in the Development Agreement have been performed by the Developer therein, and the County Recorder in Washington County, Minnesota, is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to completion of the improvements.

EXHIBIT H
FORM OF CERTIFICATE OF COMPLETION
(CONT.)

CITY:
CITY OF COTTAGE GROVE

By: _____
Myron Bailey
Its Mayor

By: _____
Tamara Anderson
Its City Clerk

STATE OF MINNESOTA)
)
COUNTY OF WASHINGTON) ss.

On this _____ day of _____, 2025, before me a Notary Public within and for said County, personally appeared Myron Bailey and Tamara Anderson to me personally known, who being each by me duly sworn, each did say that they are respectively the Mayor and City Clerk of the City of Cottage Grove, the municipality named in the foregoing instrument, and that the said instrument was signed in behalf of said municipality by authority of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said municipality.

Notary Public

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

Korine Land, #262432
LeVander, Gillen, & Miller, P.A.
1305 Corporate Center, Suite 300
Eagan, MN 55121
(651) 451-1831

MEMORANDUM

TO: Brenda Malkowski – Finance Director, City of Cottage Grove
FROM: Schane Rudlang and Stacie Kvilvang – Ehlers
DATE: November 13, 2025
SUBJECT: Real Estate Equities Tax Credit Housing Project
Analysis of Financial Request - **Updated**

This memo updates a prior analysis and memorandum dated April 29, 2025.

In April of 2025, the City of Cottage Grove (“City”) received a request to support tax increment financing (“TIF”) from Real Estate Equities (“Developer”) for a 164-unit apartment project at Hadley Ave and 100th St in Cottage Grove (“Project”). The Developer originally proposed that all of the unit would be affordable at 60% of Area Median Income (“AMI”) but has revised their unit mix to be as shown below (which uses income averaging to yield an average of 60% AMI).

	30% AMI	50% AMI	60% AMI	70% AMI	Total
1BR			30		30
2BR		7	74	7	88
3BR	3	8	18	17	46
Total	3	15	122	24	164
Percent	2%	9%	74%	15%	

Citing a financial gap in the Project’s financing, the Developer requested public assistance via TIF in the amount of \$1,032,000 from the City. This memo summarizes the analysis of the need for public assistance based on review of the Developer’s project budget and financial projections, generally known as a proforma. The financial performance of the Project has been measured against industry standards for construction, land costs, project costs, affordable rental rates, operating expenses, underwriting and financing criteria, and developer fees including the payback timeline for the deferred development fee.

Low Income Housing Tax Credits and Affordability

The Developer applied for Low-Income Housing Tax Credits (“LIHTC”). The purpose of LIHTC is to leverage private capital and equity to support the development of new and rehabilitated affordable housing. Developers who utilize the program are required to maintain a specified number of units that meet both income and rent restrictions derived by the United States Department of Housing and Urban Development on an annual basis. The incomes and rents listed below are for 2025 with rent representing the maximum gross amount that may be charged (including utilities). This project would be affordable for those making up to 60% of AMI, on average.

2025 Maximum Gross Rents by Bedroom Size: Washington County							
	Studio	1	2	3	4	5	6
30%	695	745	894	1,032	1,152	1,271	1,390
40%	927	993	1,192	1,377	1,536	1,695	1,853
50%	1,158	1,241	1,490	1,721	1,920	2,118	2,317
60%	1,390	1,490	1,788	2,065	2,304	2,542	2,780
70%	1,622	1,738	2,086	2,409	2,688	2,966	3,243
80%	1,854	1,987	2,384	2,754	3,072	3,390	3,707

* Washington County, 2025

Financial Assistance Review

The total development cost for the project is estimated to be \$56,732,975, \$345,933 per unit, or \$350 per rentable square foot. The per unit cost and per rentable square foot costs are high but unfortunately the “new normal.”

The Developer originally requested public assistance from TIF in the amount of \$1,032,000. Ehlers reviewed the rental income, operating expenses, LIHTC syndication rate, management fees, developer fees, developer fee payback term, and other financial parameters. The project is challenged by increasing construction costs and interest rates, like many other projects. In the prior memo in April, Ehlers determined that \$785,000 was justified noting that the Project still had a funding gap. Since April, the Developer closed the majority of the funding gap. A funding gap of \$916,000 remains. Ehlers has analyzed the proforma and confirms that this amount is justified.

Source of Public Assistance

This project would qualify for the 4d(1) tax classification rate instituted via 2023 legislation and will generate substantially less taxes (and TIF) than a market rate development would. While the Project would qualify as a Housing TIF District, the City has Local Affordable Housing Aid (“LAHA”) available.

Source	Amount	Note
2024 LAHA	\$125,476	Actual
2025 LAHA	\$395,264	Actual
2026 LAHA	\$395,264	Estimate
Total: \$916,000		

Summary and Recommendation

Ehlers reviewed the construction costs, rental income, operating expenses, tax credit pricing, management fees, developer fees, and other financial parameters. Based on our review we’ve concluded that the Project would not reasonably be expected to proceed without \$916,000 in public assistance from LAHA funds.

Please contact us at 651-697-8500 with any questions.

DRAFT
October 30, 2025

LOCAL AFFORDABLE HOUSING AID AGREEMENT

By and Between

THE CITY OF COTTAGE GROVE

and

COTTAGE GROVE AH I, LLLP

This document drafted by:

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

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EXHIBIT F	FORM OF LAHA PROMISSORY NOTE

LOCAL AFFORDABLE HOUSING AID AGREEMENT

This Local Affordable Housing Aid Agreement (the “Agreement”) is made this ____ day of _____, 2025, by and between the City of Cottage Grove, a municipal corporation under the laws of Minnesota, having its principal office at 12800 Ravine Parkway South, Cottage Grove, MN 55016 (the “City”), and Cottage Grove AH I, LLLP, a limited liability limited partnership under the laws of Minnesota, having its principal office at 579 Selby Avenue, St. Paul, Minnesota 55102 (the “Developer”).

WITNESSETH:

WHEREAS, the City finds that, due to market conditions which exist today and are likely to persist for the foreseeable future, the private sector alone is not able to accomplish construction of affordable housing and, therefore, such will not occur without public intervention; and

WHEREAS, the Developer has proposed to develop the property generally located at 10015 Hamlet Avenue South in Cottage Grove through construction of a project consisting of 164 units of affordable housing; and

WHEREAS, the City believes the Developer’s proposal is in the vital and best interests of the Community and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements which promote affordable housing.

NOW, THEREFORE, in consideration of the covenants and the mutual obligations of the parties hereto, each does hereby covenant and agree with the other as follows:

ARTICLE I

Definitions

Section 1.1. Definitions. In this Agreement the following terms shall have the meanings given below unless a different meaning clearly appears from the context:

“Affiliate” means with respect to any entity (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the entity, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling,” “controlled by” and “under common control with” shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent (50%) or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

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

“Certificate of Completion” means the certificate, in substantially the form attached hereto as Exhibit C, which will be provided by the City to the Developer pursuant to Article IV of this Agreement.

“Certificate of Occupancy” means the temporary certificate issued by the City’s building official under the State building code authorizing occupancy of the Minimum Improvements.

“City” means the city of Cottage Grove, a municipal corporation under the laws of Minnesota.

“City Approvals” means, collectively, Lot 1, Block 1 of the Preserve at Prairie Dunes to be called Hadley Ridge Apartments and any other land use approvals or entitlements required by the City prior to the Developer being authorized to construct the Minimum Improvements.

“Construction Plans” means the final plans for construction of the Minimum Improvements which will be submitted by the Developer pursuant to section 4.2 of this Agreement.

“County” means Washington County, Minnesota.

“Declaration” means the Declaration of Restrictive Covenants concerning the Minimum Improvements substantially in the form attached hereto as Exhibit D.

“Developer” means Cottage Grove AHI, LLLP, a limited liability limited partnership under the laws of Minnesota.

“Development Property” means the property generally located at 10015 Hamlet Avenue South, Cottage Grove, Minnesota. The Development Property is legally described in Exhibit A attached hereto.

“Event of Default” means an action by the Developer or the City listed in Article VIII of this Agreement.

“Local Affordable Housing Aid” or “LAHA” means funds available to the City from the State through the Minnesota Department of Revenue under the LAHA Act which will be used to pay the Public Assistance to the Developer.

“Local Affordable Housing Aid Act” or “LAHA Act” means Minnesota Statutes, section 477A.35, as amended.

“Local Affordable Housing Aid Loan” or “LAHA Loan” means the loan of the City’s LAHA funds to the Developer in accordance with section 3.2 hereof.

“Local Affordable Housing Aid Mortgage” or “LAHA Mortgage” means the Combination Mortgage, Security Agreement and Fixture Financing Statement executed by the Developer in favor of the City in connection with the LAHA Loan pursuant to section 3.2 hereof in substantially the form attached hereto as Exhibit E.

“Local Affordable Housing Aid Promissory Note” or “LAHA Promissory Note” means the Promissory Note executed by the Developer in favor of the City in connection with the LAHA Loan pursuant to section 3.2 hereof in substantially the form attached hereto as Exhibit F.

“Material Change” means a substantial change in the Construction Plans which requires new or revised City Approvals.

“Minimum Improvements” means the construction by the Developer of 164 units of affordable housing on the Development Property.

“Preliminary Plans” means the plans of the Minimum Improvements referenced in Exhibit B attached hereto.

“Public Assistance” means the financial assistance to be offered by the City to the Developer through the LAHA Loan.

“Public Development Costs” means the cost of acquiring the Development Property, grading, site preparation, installation of utilities and parking and the cost of constructing affordable housing.

“Qualified Project” has the meaning given to the term in subd. 4 of the LAHA Act.

“Qualified Project Period” has the meaning given to the term in the Declaration.

“Qualifying Tenants” shall have the meaning given to it in the Declaration.

“Rental Housing Unit” means one of the 164 rental housing units constructed as part of the Minimum Improvements.

“State” means the state of Minnesota.

“Substantial Completion” means completion of the Minimum Improvements to a degree allowing the issuance of at least a temporary certificate of occupancy for the Minimum Improvements by the City’s building official.

“Transfer” has the meaning given it in section 7.2 hereof.

“Unavoidable Delays” means a failure or delay in a party’s performance of its obligations under this Agreement, or during any cure period specified in this Agreement which does not entail the mere payment of money, not within the party’s reasonable control including but not limited to acts of God; pandemic or other public health emergency; delays which are the direct result of adverse weather conditions; strikes or other labor troubles; problems with supply chain or materials pricing; fire or other casualty to the Minimum Improvements; litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays; or, except those of the City reasonably contemplated by this Agreement, any acts or omissions of any federal, State or local governmental unit, including delays in permitting not caused by the inaction of the Developer, which directly result in delays in construction of the Minimum Improvements; or any other cause beyond the reasonable control of a party. Unavoidable Delays does not include failure to spend LAHA within the time periods specified in the LAHA Act, regardless of the cause.

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

- Exhibit A. Legal Description of Development Property
- Exhibit B. List of Preliminary Plans
- Exhibit C. Form of Certificate of Completion
- Exhibit D. Form of Declaration of Restrictive Covenants
- Exhibit E. Form of LAHA Mortgage, Security Agreement and Fixture Financing Statement
- Exhibit F. Form of LAHA Promissory Note

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

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

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

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

ARTICLE II

Representations and Warranties

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

(a) The City is a municipal corporation under the laws of Minnesota. The City has the authority to enter into this Agreement and carry out its obligations hereunder.

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

(c) There are no previous agreements currently in effect to which the City is a party pertaining to the Development Property which would preclude the parties from entering into this Agreement or which would impede the fulfillment of the terms and conditions of this Agreement.

(d) To the best of the City's knowledge, there is no pending or threatened suit, action or proceeding against the City before any court, arbitrator, administrative agency or other governmental authority that materially and adversely affects the validity of any of the transactions contemplated hereby, the ability of the City to perform its obligations hereunder, or the validity or enforcement of this Agreement.

Section 2.2. Representations and Warranties by the Developer. The Developer makes the following representations and warranties as the basis for the undertaking on its part herein contained:

(a) The Developer is a limited liability limited partnership validly existing and in good standing under the laws of the state of Minnesota. The Developer has the authority to enter into this Agreement and carry out its obligations hereunder.

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

(c) The Developer will construct the Minimum Improvements as a Qualifying Project in substantial accordance with the terms of this Agreement, the Construction Plans, the City Approvals and all applicable local, State and federal laws and regulations, including, but not limited to, environmental, zoning, building code and public health laws and regulations.

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

(e) The Developer has analyzed the economics of acquisition of the Development Property, the cost of site preparation, site improvements, utilities and construction of the Minimum Improvements and concluded that, absent the Public Assistance to be offered under this Agreement, it would not undertake this project.

(f) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions

of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any organizational documents or any evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

ARTICLE III

Acquisition of Development Property; Public Assistance

Section 3.1. Acquisition of Development Property. The Developer agrees to acquire fee ownership of the Development Property by June 1, 2026. The City makes no representations to the Developer regarding the suitability of the Development Property for the use and purpose intended by the Developer.

Section 3.2. LAHA Loan.

(a) To reimburse a portion of the Public Development Costs incurred by the Developer, the City agrees to make the LAHA Loan to the Developer in an amount equal to the lesser of \$916,000 or the amount of Public Development Costs actually incurred. The LAHA Loan shall be a forgivable loan, and shall only be repayable in accordance with subsection (d) below. The LAHA Loan shall be secured by the LAHA Promissory Note and the LAHA Mortgage and shall not bear interest.

(b) The City shall originate the LAHA Loan and disburse the proceeds thereof in two payments to the Developer. The first payment to the Developer shall be made in the amount of \$520,740 upon the Developer having:

(i) delivered to the City evidence of \$520,740 in Public Development Costs paid or incurred, in the form of one or more certificates signed by Developer's duly authorized representative, containing the following: (i) a statement that each cost identified in the certificate is a Public Development Cost as defined in this Agreement and that no part of such cost has been included in any previous certification, (ii) reasonable evidence that each identified Public Development Cost has been paid or incurred by or on behalf of Developer; and (iii) a statement that to Developer's knowledge no uncured Event of Default by Developer is continuing under this Agreement;

(ii) the Developer shall have executed and delivered to the City, this Agreement;

(iii) executed and delivered to the City the LAHA Promissory Note and the LAHA Mortgage, which LAHA Mortgage shall be recorded with the County Recorder and/or the Registrar of Titles of the County, as applicable; and

(iv) the Developer has closed on its financing for the Minimum Improvements and such financing based on underwriting assuming that all of the Rental Housing Units in the Minimum Improvements will be occupied by Tenants whose average household income is 60 percent or less on average of area median gross income as further described in the Declaration.

(c) The City shall disburse a second payment of \$395,260 to the Developer upon the Developer having;

(i) delivered to the City evidence of an additional \$395,260 in Public Development costs in accordance with the requirements of section 3.2(b)(i);

(ii) obtained at least a temporary certificate of occupancy of the Minimum Improvements; and

(iii) executed and delivered to the City an amendment to the LAHA Mortgage and LAHA Promissory Note updating, if necessary, the amount of the aggregate payments made by the City to the Developer under this Agreement.

The City's obligations to make the second payment to the Developer pursuant to this Section 3.2(c) is conditioned upon the City having received an allocation of LAHA funds from the State in 2026, and so long as LAHA funds are received by the City from the State in 2026 the City shall disburse such funds to the Developer pursuant to the terms herein, but in no event in excess of \$395,260. By way of example, if the City receives \$250,000 of LAHA funds from the State in 2026 in the aggregate, then the City shall disburse \$250,000 of LAHA funds to the Developer, and, thereafter, the City will have no further obligation to fund any additional amount pursuant to this Section 3.2(c).

(d) The LAHA Loan shall constitute a deferred loan and shall be repayable to the City in a single balloon payment upon the earliest of the following: (i) the refinancing and/or resyndication of the Minimum Improvements; (ii) the sale or transfer of the Minimum Improvements; provided, however, that the Developer may transfer the Minimum Improvements to an Affiliate of the Developer without such repayment obligation; or (iii) as set forth in section 8.1 hereof. Notwithstanding the foregoing, the Developer may convert or refinance its construction loan for the Minimum Improvements with a mortgage lender providing construction financing for the Minimum Improvements to a permanent loan, and the occurrence of such transaction shall not, on its own, cause the LAHA Loan to be repayable to the City. Notwithstanding the foregoing to the contrary, upon the expiration of the period of 15 years from the date of issuance of the Certificate of Completion, the City shall forgive the LAHA Loan if the affordability requirements of the Declaration remain in place and there is no uncured Event of Default by the Developer.

Section 3.3. Conditions Precedent to Public Assistance. Notwithstanding anything in this Agreement to the contrary, and except as otherwise noted to the contrary below, the City will make the Public Assistance available to the Developer as specified in section 3.2 hereof only after all of the following conditions precedent have been satisfied:

(a) The Developer has acquired the Development Property in fee;

(b) The Developer has executed this Agreement and it has been recorded against the Development Property;

(c) The Developer has executed the Declaration and it has been recorded against the Development Property;

(d) The Developer has paid the fees provided for in section 9.12 of this Agreement;

(e) The City has issued the Certificate of Completion, which shall only be a condition of the funding of the second payment pursuant to Section 3.2(c);

(f) The Developer has executed the LAHA Mortgage and delivered it to the City;

(g) The Developer has executed the LAHA Promissory Note and delivered it to the City;
and

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

Section 3.4. Records. The City and its representatives will have the right at all reasonable times after reasonable notice to inspect, examine and copy invoices paid by the Developer and/or its general contractor relating to the Minimum Improvements for which the Developer will be reimbursed through the Public Assistance.

Section 3.5. No Business Subsidy. All of the Public Assistance offered by the City to the Developer under this Agreement is related to housing. Accordingly, this project qualifies for the exception under Minnesota Statutes, section 116J.993, subd. 3(7) and the Public Assistance is not a business subsidy within the meaning of the Business Subsidy Act.

ARTICLE IV

Construction of Minimum Improvements; Public Improvements; Income Restrictions

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements as a Qualified Project on the Development Property substantially in accordance with the Preliminary Plans and the Construction Plans. The Developer acknowledges that, in addition to the requirements of this Agreement, construction of the Minimum Improvements will necessitate compliance with the City Approvals and possible approvals by other governmental agencies. To the extent such approvals have not already been obtained, the Developer agrees to submit in a timely manner all applications for and pursue to their conclusion all other approvals needed prior to constructing the Minimum Improvements.

Section 4.2. Preliminary Plans and Construction Plans. (a) The Developer has submitted and the City has approved the Preliminary Plans listed in Exhibit B attached hereto. Prior to beginning construction on the Minimum Improvements, the Developer shall submit dated Construction Plans to the City. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in substantial conformity with the Preliminary Plans and this Agreement. The City will approve the Construction Plans, if they (1) are substantially consistent with the Preliminary Plans; (2) conform to all applicable federal, State and local laws, ordinances, rules and regulations; (3) are adequate to provide for the construction of the Minimum

Improvements; (4) conform to the State building code; and (5) if there has occurred no uncured Event of Default on the part of the Developer. Except as otherwise set forth herein, no approval by the City shall relieve the Developer of the obligation to comply with the terms of this Agreement and the terms of all applicable federal, State and local laws, ordinances, rules and regulations in the construction of the Minimum Improvements. Except as otherwise set forth herein, no approval by the City shall constitute a waiver of an Event of Default. The City shall use good faith efforts to review the Construction Plans and either approve or reject them in writing within 15 business days after receipt. Any rejection, in whole or in part, shall set forth in detail the reasons for rejection.

(b) The Developer agrees that because the Minimum Improvements include more than four Rental Housing Units, at least five percent of the Rental Housing Units must include the amenities and the construction standards required by subd. 4(e) of the LAHA Act.

(c) If the Developer desires to make any Material Change in the Construction Plans after approval, the Developer shall submit the proposed change to the City for its approval. If the proposed change is consistent with the Preliminary Plans or is otherwise acceptable to the City and meets all other requirements of section 4.2(a) above, the City shall approve the proposed change. Such change in the Construction Plans shall be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons for rejection. Such rejection shall be made within 15 business days after receipt by the City of the written notice of such change from the Developer.

Section 4.3. Commencement and Completion of Construction; Repair. (a) Subject to Unavoidable Delays, the Developer agrees to commence construction of the Minimum Improvements by June 1, 2026. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in substantial conformity with the Construction Plans, as may be modified in accordance with this Agreement. The Developer shall provide updates to the City regarding construction of the Minimum Improvements as requested by the City (not to exceed one per quarter) in order to monitor progress on construction of the Minimum Improvements. Subject to Unavoidable Delays, the Developer agrees to have achieved Substantial Completion of the Minimum Improvements by June 30, 2028.

(b) The Developer agrees to notify the City promptly in the case of damage exceeding \$250,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In the event this type of damage or destruction occurs, the Developer will forthwith repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing the damage and, to the extent necessary to accomplish the repair, reconstruction and restoration, subject to the rights of Developer's senior construction lender, the Developer will apply the net proceeds of any insurance relating to the damage received by the Developer to the payment or reimbursement of the costs thereof. The Developer will complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Developer is sufficient to pay for the same. Any net proceeds remaining after completion of the repairs, construction and restoration will be the property of the Developer.

Section 4.4. Certificate of Completion. (a) After Substantial Completion of the Minimum Improvements as a Qualified Project in accordance with the Construction Plans and at the written request of the Developer, the City will, within 20 days thereafter, furnish the Developer with a Certificate of Completion in the form of Exhibit C attached hereto. Such Certificate of Completion by the City shall be a conclusive determination of satisfaction and termination of the agreements and covenants in this Agreement with respect to the obligations of the Developer to construct the Minimum Improvements and the dates for the beginning and completion thereof.

(b) The Certificate of Completion shall be in the form set forth in Exhibit C and will enable it to be recorded in the proper County office for the recordation of deeds and other instruments pertaining to the Development Property. If the City shall refuse to provide a Certificate of Completion in accordance with the provisions of this section 4.4, the City shall promptly notify Developer within the same 20 day period following receipt of request by the Developer for the Certificate of Completion, and such notification from the City shall include a written statement, indicating in clear detail in what respects the Developer has failed to complete the Minimum Improvements substantially in accordance with the Construction Plans and what measures or acts will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such certification. If the City fails to issue such a written statement within such 20-day period, the City shall be deemed to have waived its right to do so and shall be deemed to have issued a Certificate of Completion to the Developer. The Developer shall have 90 days following receipt of the City's written response to cure or agree to terms with the City regarding issues to be resolved prior to the Developer obtaining a Certification of Completion from the City.

Section 4.5. City Approvals. The Developer understands that construction of the Minimum Improvements will require obtaining and complying with the City Approvals, which the Developer agrees to pursue diligently prior to beginning construction.

Section 4.6. Declaration Regarding Income Restrictions. The Developer agrees that the Minimum Improvements will be subject to the following tenant income and rental restrictions:

(a) The Developer will cause all of the Rental Housing Units in the Minimum Improvements to be occupied by Qualifying Tenants whose average household income is 60 percent or less on average of the area median gross income, as further described in the Declaration attached hereto as Exhibit D. Prior to the City making the LAHA Loan, the Developer will deliver the executed Declaration to the City in recordable form. The Declaration shall be in effect for n affordability period for the same duration of the affordability restrictions as are contained in the declaration of land use restrictive covenants for low-income housing tax credits in favor of the Washington County Community Development Agency for the Minimum Improvements which shall be recorded against the Development Property.

(b) As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant will be required annually to sign and deliver to the Developer a certification in which the prospective Qualifying Tenant certifies as to his or her income. In addition, the person will be required to provide whatever other information, documents, or certifications are reasonably deemed necessary by the City to substantiate his or her income, on an ongoing annual basis, and to verify that the tenant continues to be a Qualifying Tenant. Certifications will be maintained on

file by the Developer with respect to each Qualifying Tenant who resides in a Rental Housing Unit or resided therein during the immediately preceding calendar year.

(c) The form of lease to be utilized by the Developer in renting any Rental Housing Unit to any person who is intended to be a Qualifying Tenant must provide for termination of the lease and consent by the person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to income; provided, however, to the extent the foregoing is in violation of any requirement under any applicable bond regulatory agreement or declaration of land use restrictive covenants for low-income housing tax credits for the Development Property, the requirements of this Section 4.6(c) shall not apply.

(d) On or before April 15 of each year during the term of the Declaration, commencing on the first April 15 after issuance of the Certificate of Completion for the Minimum Improvements, the Developer must submit evidence of tenant incomes, showing that all tenants of the Rental Housing Units meet the income restrictions set forth in the Declaration or that such Rental Housing Units are being held open for tenants meeting the income restrictions set forth in the Declaration, and the City acknowledges that any evidence which may be already required to be provided by the Developer pursuant to any bond regulatory agreement or low-income housing restrictive covenant which the Development Property is subject to shall satisfy the evidence required pursuant to this Section 4.6(d).

(e) While the covenants in this section 4.6 are in effect, the City and its representatives will have the right at all reasonable times, and after reasonable notice, to inspect and to examine and copy all books and records of the Developer and its successors and assigns relating to the tenant income covenants described in this section 4.6 and in the Declaration.

(f) Reserved.

Section 4.7. Limitations on Rents. In addition to the tenant income limitations of section 4.6 of this Agreement, there are limits on the rents which may be charged on the Rental Housing Units. The following table represents the maximum gross rents (including utilities) which may be charged for the Rental Housing Units in the Minimum Improvements.

2025 Maximum Gross Rents by Bedroom Size: Washington County							
	Studio	1	2	3	4	5	6
30%	695	745	894	1,032	1,152	1,271	1,390
40%	927	993	1,192	1,377	1,536	1,695	1,853
50%	1,158	1,241	1,490	1,721	1,920	2,118	2,317
60%	1,390	1,490	1,788	2,065	2,304	2,542	2,780
70%	1,622	1,738	2,086	2,409	2,688	2,966	3,243
80%	1,854	1,987	2,384	2,754	3,072	3,390	3,707

The above are rents applicable in 2025 and are adjusted annually by the United States Department of Housing and Urban Development ("HUD"). The Developer agrees that it will charge no more in rents for the Rental Housing Units during the Qualified Project Period than is allowed by HUD.

ARTICLE V

Insurance

Section 5.1. Insurance. The Developer or its general contractor will provide and maintain, at all times during the process of constructing the Minimum Improvements, a Special Form Basis Insurance Policy and, from time to time during that period, at the request of the City no more frequently than once annually, furnish the City with proof of payment of premiums on policies covering the following:

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

(2) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

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

Section 5.2. Evidence of Insurance. All insurance required in this Article V of this Agreement must be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of Minnesota to assume the risks covered thereby. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein. Upon written request by the City, the Developer agrees to deposit with the City a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect.

ARTICLE VI

Payment of Taxes

Section 6.1. Taxes. The Developer agrees that during the Qualified Project Period: (i) it will not seek administrative or judicial review of the applicability of any tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Development Property or raise the inapplicability of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; (ii) it will not seek administrative or judicial review of the constitutionality of any tax statute determined by any Tax Official to be applicable to the Minimum Improvements or the Development Property or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; and (iii) it will not cause a

reduction in the assessed value of the Minimum Improvements or the Development Property below that in effect at the time of issuance of the Certificate of Completion through:

- (a) willful destruction of the Minimum Improvements or any part thereof;
- (b) failure to reconstruct damaged or destroyed property pursuant to Section 4.3 of this Agreement;
- (c) an application to the commissioner of revenue of the State or to any local taxing jurisdiction requesting an abatement or deferral of real estate taxes on the Minimum Improvements or the Development Property;
- (d) a transfer of the Minimum Improvements or the Development Property, or any part thereof, to an entity exempt from the payment of real estate taxes under State law and that entity applies for tax exemption; or
- (e) any other proceedings, whether administrative, legal or equitable, with any administrative body within the County or the State or with any court of the State or the federal government.

Section 6.2. Right to Collect Delinquent Taxes and Special Assessments. The Developer acknowledges that at all times during the Qualified Project Period the City shall have the right to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and special assessments due on the Development Property or the Minimum Improvements and to pay over the same as a tax payment to the County auditor. In any such suit in which the City prevails, the City shall also be entitled to recover its reasonable out-of-pocket costs and expenses, including attorney fees.

ARTICLE VII

Prohibitions Against Assignment and Transfer

Section 7.1. Representation as to Development. The Developer represents and agrees that its purchase of the Development Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Development Property and not for speculation in land holding.

Section 7.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that:

- (a) Prior to the issuance of a Certificate of Completion, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity whether or not related in any way

to the Developer (collectively, a “Transfer”), without the prior written approval of the City (whose approval will not be unreasonably withheld, subject to the standards described in paragraph (b) of this Section). Any such Transfer shall be subject to the provisions of this Agreement. For the purposes of this Agreement, the term “Transfer” does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable the Developer or any successor in interest to the Development Property or to construct the Minimum Improvements, (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements, (iii) any Mortgages in favor of a Mortgage lender or an assignee thereof in connection with providing financing for the construction of the Minimum Improvements; (iv) any sale, conveyance, or transfer in any form to any Affiliate; (v) a transfer as a result of an event of foreclosure or deed in lieu of foreclosure; or (vi) admitting or removing limited partners or transferring direct or indirect limited partner interests or interest in the general partner of the Developer or admitting or removing members of any of Developer’s partners in accordance with the applicable organizational documents; or (vi) removal or replacement of a general partner of the Developer by a Mortgage lender or its assignee as pledgee of the general partner interest or by the limited partner(s) of Developer in accordance with its organizational documents. Any Transfer is subject to the provisions of this Section.

(b) The Developer agrees to pay all reasonable costs and expenses, including fees of legal counsel retained by the City, to review the documents submitted to the City in connection with any such transfer. Notwithstanding anything to the contrary herein, any Transfer shall be approved by the City Council of the City, which approval shall not be unreasonably withheld, conditioned, or delayed.

Upon a Transfer of the Development Property, the Developer shall be released from its obligations under this Agreement, and Developer’s successor in interest shall assume such obligations.

ARTICLE VIII

Events of Default

Section 8.1. Events of Default Defined. Each and every one of the following shall be an Event of Default under this Agreement:

(a) Failure by the Developer to acquire the Development Property in fee as required by this Agreement;

(b) Failure by the Developer to pursue the City Approvals from the City and other entities which are necessary to construct the Minimum Improvements;

(c) Failure by the Developer to pay real estate taxes or special assessments on the Minimum Improvements or the Development Property as they become due, and such tax payment remains unpaid for more than thirty (30) days;

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

(e) Failure by the Developer to cause the Minimum Improvements to be a Qualified Project or to include the amenities and construction standards required by subd. 4(e) of the LAHA Act;

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

(g) If there is a violation by the Developer of the Declaration with regard to the required number or income limitations of the Qualifying Tenants or if the Developer fails to deliver the annual rent and income reports required by the Declaration, and such violation is not promptly cured;

(h) Transfer of the Minimum Improvements or the Development Property, or any portion thereof, by the Developer in violation of Article VII of this Agreement; or

(i) Failure by either party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in section 8.1 of this Agreement occurs, the non-defaulting party may take any one or more of the following actions after providing 30 days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said 30 days from the receipt of Notice or, if the Event of Default is by its nature incurable within 30 days, the defaulting party does not provide assurances to the non-defaulting party reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

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

(b) Prior to issuance of the Certificate of Completion, the City may cancel and rescind or terminate this Agreement and require repayment of the LAHA Loan and foreclose on the LAHA Mortgage;

(c) After issuance of a Certificate of Completion, the City may terminate this Agreement and require repayment of the LAHA Loan and foreclose on the LAHA Mortgage; and

(d) Take whatever action, including legal or administrative action, which may appear necessary or desirable to the non-defaulting party to collect any payments due under this

Agreement, or to enforce performance and observance of any obligation, agreement, or covenant of the defaulting party under this Agreement.

The City recognizes and agrees that any lender who is the beneficiary of a mortgage recorded against the Development Property, shall have the opportunity, but not the obligation, to cure any default by the Developer under the same terms as the Developer, and any cure by such lender shall be accepted or rejected as if made by the Developer.

Section 8.3. No Remedy Exclusive. No remedy conferred herein or reserved to the parties is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City or the Developer to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required under this Agreement.

Section 8.4. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE IX

Additional Provisions

Section 9.1. Conflict of Interests; Representatives Not Individually Liable. No member, official, or employee of the City shall have any personal financial interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal financial 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 City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach or for any amount which may become due or on any obligations under the terms of this Agreement.

Section 9.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this Agreement, it will comply with all applicable equal employment and nondiscrimination laws and regulations.

Section 9.3. Restrictions on Use. The Developer agrees that through the Qualified Project Period it will use the Minimum Improvements for only such uses as permitted under the City's land use regulations and in compliance with the City Approvals.

Section 9.4. Notices and Demands. Except as otherwise expressly provided in this Agreement, any notice, demand, or other communication under the Agreement or any related document by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified United States mail, postage prepaid, return receipt requested, or delivered personally to:

(a) in the case of the Developer: Cottage Grove AH I, LLLP
579 Selby Avenue
St. Paul, MN 55102
Attn: _____

and with a copy to:

Attention: _____

(b) in the case of the City: City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016
Attn: City Administrator

and with a copy to:

Kennedy & Graven, Chartered
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
Attn: Ronald H. Batty

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 9.4.

Section 9.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 9.6. Disclaimer of Relationships. The Developer acknowledges that nothing contained in this Agreement nor any act by the City or the Developer shall be deemed or construed by the Developer or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the City and the Developer.

Section 9.7. Amendment. This Agreement may be amended only by the written agreement of the parties.

Section 9.8. Recording; Agreement Runs with the Land. The City intends to record this Agreement among the County land records and the Developer agrees to pay for the cost of recording same. This Agreement runs with the Development Property and shall bind the successors and assigns of the City and the Developer.

Section 9.9. Release and Indemnification Covenants.

(a) Except for any willful misrepresentation or willful or wanton misconduct of the Indemnified Parties as hereinafter defined, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer releases from and covenants and agrees that the City, and the governing body members, officers, agents, servants, and employees thereof (the “Indemnified Parties”) shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring after closing and prior to any sale or conveyance of the Development Property to a person not an Affiliate of Developer at or about or resulting from any defect in the Development Property or the Minimum Improvements.

(b) Except for any willful misrepresentation or willful or wanton misconduct of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or, following closing, the acquisition, construction, installation, ownership, maintenance, and operation of the Development Property and the Minimum Improvements by Developer or its Affiliate(s).

(c) Except for any willful misrepresentation or willful or wanton misconduct of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the Development Property or the Minimum Improvements.

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

Section 9.10. Titles of Articles and Sections. Any titles of the several parts, articles, and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 9.11. Governing Law; Venue. This Agreement shall be construed in accordance with the laws of Minnesota. Any dispute arising from this Agreement shall be heard in the State or federal courts of Minnesota, and all parties waive any objection to the jurisdiction thereof, whether based on convenience or otherwise.

Section 9.12. Fees and Charges. The Developer agrees to reimburse the City for all reasonable fees or costs for legal, municipal advisory, engineering, planning or other staff time for the analysis, drafting or negotiating this Agreement and related documents and the recording thereof; and for reviewing any plans regarding the Minimum Improvements submitted in satisfaction of this Agreement. The Developer also agrees to reimburse the City for all reasonable

fees and costs incurred by the City in connection with construction of the Minimum Improvements and the City Approvals. The Developer and its representatives will have the right at all reasonable times after reasonable notice to inspect, examine and copy invoices and supporting documents relating to the fees and charges to be reimbursed pursuant to this Section.

Section 9.13. Notice of Unavoidable Delays. Within 10 days after a party impaired by an Unavoidable Delay has knowledge of the delay it shall give the other party notice of the delay and the estimated length of the delay, and shall give the other party notice of the actual length of the delay within 10 days after the cause of the delay has ceased to exist. The parties shall pursue with reasonable diligence the avoidance and removal of any such delay. Unavoidable Delay shall not extend performance of any obligation required under this Agreement unless the notices required in this section are given as herein required.

Section 9.14. Termination of Agreement. Upon the expiration of the Qualified Project Period, the parties agree to execute and record a document terminating this Agreement.

* * * * *

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be duly executed in their names and behalves on or as of the date first above written.

CITY OF COTTAGE GROVE

By:_____

Myron Bailey, Mayor

By:_____

Jennifer Levitt, City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument as acknowledged before me this _____ day of _____, 2025, by Myron Bailey, the Mayor of the City of Cottage Grove, a municipal corporation under the laws of Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument as acknowledged before me this _____ day of _____, 2025, by Jennifer Levitt, the City Administrator of the City of Cottage Grove, a municipal corporation under the laws of Minnesota, on behalf of the City.

Notary Public

COTTAGE GROVE AH I, LLLP

By: _____

[illegible]

The foregoing instrument was executed before me this _____ day of _____, 2025, by _____, the _____ of Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership, on behalf of the limited liability limited partnership.

Notary Public

EXHIBIT A TO
CONTRACT FOR PRIVATE DEVELOPMENT
LEGAL DESCRIPTION OF DEVELOPMENT PROPERTY

The Development Property is legally described as follows:

Lot 1, Block 1, Preserve at Prairie Dunes, Washington County, Minnesota.

EXHIBIT B TO
CONTRACT FOR PRIVATE DEVELOPMENT
LIST OF PRELIMINARY PLANS

The following constitute the Preliminary Plans of the Minimum Improvements:

[to be included]

**EXHIBIT C TO
CONTRACT FOR PRIVATE DEVELOPMENT**

**FORM OF
CERTIFICATE OF COMPLETION**

WHEREAS, the City of Cottage Grove, a municipal corporation under the laws of Minnesota (the “City”), and Cottage Grove AH I, LLLP, limited liability limited partnership under the laws of Minnesota (the “Developer”), have entered into a certain Local Affordable Housing Aid Agreement (the “Agreement”) dated the ____ day of _____, 2025, and recorded in the office of the _____ in Washington County, Minnesota, as Document No. _____, which Agreement contained certain covenants and restrictions regarding completion of the Minimum Improvements, as defined in the Agreement; and

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

NOW, THEREFORE, this is to certify that all construction of the Minimum Improvements specified in the Agreement to be done and made by the Developer has been completed and the _____ in Washington County, Minnesota, is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions relating to completion of the Minimum Improvements.

Dated: _____.

CITY OF COTTAGE GROVE

By:

_____, Mayor

By:

_____, City Administrator

[illegible]

The foregoing instrument as acknowledged before me this _____ day of _____, 202____, by _____, the Mayor of the City of Cottage Grove, a municipal corporation under the laws of Minnesota, on behalf of the City.

Notary Public

[illegible]

The foregoing instrument as acknowledged before me this _____ day of _____, 202____, by _____, the City Administrator of the City of Cottage Grove, a municipal corporation under the laws of Minnesota, on behalf of the City.

Notary Public

This Instrument was Drafted by:
KENNEDY & GRAVEN, CHARTERED (RHB)
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300

**EXHIBIT D TO
CONTRACT FOR PRIVATE DEVELOPMENT**

FORM OF DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS, dated this ____ day of _____, 202__ (the “Declaration”), by Cottage Grove AHI, LLLP, a limited liability limited partnership under the laws of Minnesota, and its successors or assigns (the “Developer”), is given for the benefit of the City of Cottage Grove, a municipal corporation under the laws of Minnesota (the “City”).

RECITALS

WHEREAS, the City and the Developer entered into that certain Local Affordable Housing Aid Agreement, dated _____, 2025, (the “Agreement”); and

WHEREAS, pursuant to the Agreement, the Developer is obligated to construct a rental housing project including 164 units of affordable housing (the “Project”) to be located on the property described in Exhibit A attached hereto (the “Development Property”), and to cause compliance with certain affordability covenants described in Section 4.6 of the Agreement; and

WHEREAS, Section 4.6 of the Agreement requires that the Developer cause to be executed an instrument in recordable form substantially reflecting the covenants set forth in that section of the Agreement; and

WHEREAS, the Developer intends, declares, and covenants that the restrictive covenants set forth herein will be and are covenants running with the Development Property for the term described herein and binding upon all subsequent owners of the Development Property for the term described herein, and are not merely personal covenants of the Developer; and

WHEREAS, capitalized terms in this Declaration have the meaning provided in the Agreement unless otherwise defined herein.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Developer agrees as follows:

1. Term of Restrictions.

(a) Occupancy and Rental Restrictions. The term of the Occupancy Restrictions set forth in Section 3 of this Declaration will commence on the date the Certificate of Completion is issued for the Minimum Improvements on the Development Property and continue for the same duration of the affordability restrictions as are contained in the declaration of land use restrictive covenants for low-income housing tax credits in favor of the Washington County Community Development Agency (the “Qualified Project Period”).

(b) Removal from Real Estate Records. After the Qualified Project Period, this Declaration shall automatically terminate and shall not require any signature of the City or recording to be filed to effectuate the same; however, the City will, upon request by the Developer or its assigns, file any document which may be required by the Developer reflecting the termination of this Declaration from the real estate records of Washington County, Minnesota.

2. Project Restrictions.

(a) The Developer represents, warrants, and covenants that:

(i) All leases of Rental Housing Units to Qualifying Tenants (as defined in Section 3(a) hereof) will contain clauses, among others, wherein each individual lessee:

(1) Certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 3(b) hereof); and

(2) Agrees that the household income at the time the lease is executed will be deemed a substantial and material obligation of the lessee's tenancy; that the lessee will comply promptly with all requests for income and other information relevant to determining income status from the Developer or the City, and that the lessee's failure or refusal to comply with a request for information with respect thereto will be deemed a violation of a substantial obligation of the lessee's tenancy.

(b) The Developer will permit any duly authorized representative of the City at all reasonable times and after reasonable prior notice to inspect the books and records of the Developer pertaining to the income of Qualifying Tenants residing in the Project.

3. Occupancy Restrictions. The Developer represents, warrants, and covenants that:

(a) Qualifying Tenants and Rent. Throughout the Qualified Project Period, all of the Rental Housing Units shall be administered in accordance with 42 USC Section 3607(b) and Minnesota Statutes, Section 363A.21, subdivision 2 and shall be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants. "Qualifying Tenants" means, those persons and households who are determined from time to time by the Developer to have average combined adjusted income that does not exceed 60% of the median income on average for the standard metropolitan statistical area which includes Cottage Grove, Minnesota, as that figure is determined and announced from time to time by the United States Department of Housing and Urban Development ("HUD"), as adjusted for household size (the "Median Income") for the applicable calendar year. For purposes of this definition, the occupants of a Rental Housing Unit will not be deemed to be Qualifying Tenants if all the occupants of such Rental Housing Unit at any time are "students," as defined in Section 152(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), not entitled to an exemption under the Code. The determination of whether an individual or household is a Qualifying Tenant will be made at the time the tenancy commences and on an ongoing basis thereafter, determined at least annually. If during their tenancy a Qualifying Tenant's income exceeds 140% of the

Median Income, the next available Rental Housing Unit (determined in accordance with the Code and applicable regulations) (the “Next Available Unit Rule”) must be leased to a Qualifying Tenant or held vacant and available for occupancy by a Qualifying Tenant. If the Next Available Unit Rule is violated, the Rental Housing Unit will not continue to be treated as a Qualifying Unit.

(b) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant will be required annually to sign and deliver to the Developer a Certification of Tenant Eligibility substantially in the form attached as Exhibit B hereto, or in any other form as may be reasonably approved by the City (the “Eligibility Certification”), in which the prospective Qualifying Tenant certifies as to having a qualifying low or moderate income. The Qualifying Tenant will be required to provide whatever other information, documents, or certifications are deemed necessary by the City to substantiate the Eligibility Certification, on an ongoing annual basis, and to verify that the tenant continues to be a Qualifying Tenant within the meaning of Section 3(a) hereof. Eligibility Certifications will be maintained for the duration of the Qualified Project Period on file by the Developer with respect to each Qualifying Tenant who resides in a Rental Housing Unit or resided therein during the Qualified Project Period.

(c) Lease. The form of lease to be utilized by the Developer in renting any Rental Housing Units in the Project to any person who is intended to be a Qualifying Tenant will provide for termination of the lease and consent by the person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to the Eligibility Certification.

(d) Annual Report. The Developer covenants and agrees that during the term of this Declaration, it will prepare and submit to the City on or before April 15 of each year of the Qualified Project Period, a certificate substantially in the form of Exhibit C attached hereto, executed by the Developer, (a) identifying the tenancies and the dates of occupancy (or vacancy) for all Qualifying Tenants in the Project, including the number and percentage of the Rental Housing Units of the Project which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding the date of the certificate; (b) describing all transfers or other changes in ownership of the Project or any interest therein; and (c) stating, that to the best knowledge of the person executing the certificate after due inquiry, all the Rental Housing Units were rented or available for rental on a continuous basis during the year to members of the general public and that the Developer was not otherwise in default under this Declaration during the year. The City acknowledges that any evidence which may be already required to be provided by the Developer pursuant to any bond regulatory agreement or low-income housing restrictive covenant which the Development Property is subject to shall satisfy the evidence required pursuant to this Section 3(d)

(e) Notice of Non-Compliance. The Developer will promptly notify the City if at any time during the term of this Declaration fewer than all of the Rental Housing Units in the Project are occupied or available for occupancy by Qualifying Tenants as required by the terms of this Declaration.

4. Enforcement.

(a) The Developer will permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Developer regarding the Project with respect to the incomes of Qualifying Tenants.

(b) The Developer will submit any other information, documents or certifications requested by the City which the City deems reasonably necessary to substantiate the Developer's continuing compliance with the provisions specified in this Declaration.

(c) The Developer acknowledges that the primary purpose for requiring compliance by the Developer with the restrictions provided in this Declaration is to ensure compliance of the Project with the housing affordability covenants set forth in Section 4.6 of the Agreement, and by reason thereof, the Developer, in consideration for assistance provided by the City under the Agreement that makes possible the construction of the Project on the Development Property, hereby agrees and consents that the City will be entitled, for any breach of the provisions of this Declaration, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Developer of its obligations under this Declaration in a state court of competent jurisdiction. The Developer hereby further specifically acknowledges that the City cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Developer understands and acknowledges that, in addition to any remedy set forth herein for failure to comply with the restrictions set forth in this Declaration, the City may exercise any remedy available to it under Article VIII of the Agreement.

5. Indemnification. The Developer hereby indemnifies, and agrees to defend and hold harmless, the City from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), causes of action, suits, allegations, claims, demands, and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by the Developer to comply with the terms of this Declaration, unless failure to comply is the direct result of the act or inaction of the City, or on account of any representation or warranty of the Developer contained herein being untrue at the time made.

6. Agent of the City. The City will have the right to appoint an agent to carry out any of its duties and obligations hereunder, and will inform the Developer of any agency appointment by written notice.

7. Severability. The invalidity of any clause, part or provision of this Declaration will not affect the validity of the remaining portions thereof.

8. Notices. All notices to be given pursuant to this Declaration must be in writing and will be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to any other place as a party may from time to time designate in writing. The Developer and the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other

communications are sent. The initial addresses for notices and other communications are as follows:

To the City: City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016
Attn: City Administrator

and with a copy to: Kennedy & Graven, Chartered
150 South Fifth Street
Suite 700
Minneapolis, MN 55402
Attn: Ronald H. Batty

To the Developer: Cottage Grove AH I, LLLP
579 Selby Avenue
St. Paul, MN 55102
Attn: _____

and with a copy to: _____

Attn: _____

9. Governing Law. This Declaration is governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

10. Attorneys' Fees. In case any action at law or in equity in which the City prevails, including an action for declaratory relief, is brought against the Developer to enforce the provisions of this Declaration, the Developer agrees to pay the reasonable attorneys' fees and other reasonable expenses paid or incurred by the City in connection with the action.

11. Declaration Binding. This Declaration and the covenants contained herein will run with the Development Property and will bind the Developer and its successors and assigns and all subsequent owners of the Development Property or any interest therein, and the benefits will inure to the City and its successors and assigns until the Declaration Qualified Project Period of this Declaration as provided in Section 1(b) hereof.

* * * * *

This Declaration is acknowledged and consented to by:

CITY OF COTTAGE GROVE

By: _____
Myron Bailey, Mayor

By: _____
Jennifer Levitt, City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF)

The foregoing instrument as acknowledged before me this _____ day of _____, 2025, by Myron Bailey, the Mayor of the City of Cottage Grove, a municipal corporation under the laws of Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF)

The foregoing instrument as acknowledged before me this _____ day of _____, 2025, by Jennifer Levitt, the City Administrator of the City of Cottage Grove, a municipal corporation under the laws of Minnesota, on behalf of the City.

Notary Public

Exhibit A to Declaration of Restrictive Covenants

Description

The land subject to the foregoing Restrictive Covenants is legally described as follows:

The Development Property is legally described as follows:

Lot 1, Block 1, Preserve at Prairie Dunes, Washington County, Minnesota.

Exhibit B to Declaration of Restrictive Covenants

Certification of Tenant Eligibility

TENANT INCOME CERTIFICATION	Effective Date: _____
Initial Certification ☐ Recertification ☐ Other ☐	Move-in Date: _____
_____	(MM/DD/YY): _____

PART I. DEVELOPMENT DATA

Property Name: _____ Apartments	County: Washington	BIN #: _____
Address: _____, Cottage Grove, Minnesota	Unit Number: _____	# Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Br #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/Y Y)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Br #	(A) Employment or Wages	(B) Soc. Security / Pensions	(C) Public Assistance	(D) Other Income
TOTAL	\$	\$	\$	\$
L				
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$

PART IV. INCOME FROM ASSETS				
HH Mbr#	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$
Enter Column (H) Total if over \$5,000 \$ _____			Passbook Rate x 2.00 % =	(J) Imputed Income \$
Enter the greater of the total column I, or J: imputed income INCOME FROM ASSETS (K)			TOTAL	\$
(L) Total Annual Household Income from all sources [Add (E) + (K)]				\$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____	_____	_____	_____
Signature	(Date)	Signature	(Date)
_____	_____	_____	_____
Signature	(Date)	Signature	(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY			
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES From Item (L) on page 1	\$	Household Meets Income Restriction at:	RECERTIFICATION ONLY: Current Income Limit x 140%

Current Income Limit per household Size:	\$	50%	☐ 60%	☐	\$	_____
_____			☐ 40%	☐		_____
Household Income at Move-in		30%	☐ ____%			Household income exceeds 140% at
\$ _____						recertification:
					☐ Yes	☐ No
					Household Size at Move-in:	_____

PART VI. RENT

Not Applicable

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL-TIME STUDENTS?

☐ yes ☐ no

If yes, enter student explanation**
(also attach documentation)

Enter
1-4

Student explanation:

1. TANF assistance
2. Job training program
3. Single parent/dependent child
4. Married/joint return*

***Exception for married/joint return is the only exception available for units necessary to qualify tax-exempt bonds.**

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification

a. Tax Credit ☐ b. HOME ☐ c. Tax Exempt ☐ d. AHDP ☐ e. ☐
(Name of Program)

See Part V above.

Income Status

☐ ≤ 50% AMGI

AMGI

☐ ≤ 60% AMGI

AMGI

☐ ≤ 80% AMGI

AMGI

☐ ≤ 0I **

Income Status

☐ 50% AMGI

☐ 60% AMGI

☐ 80% AMGI

☐ 0I **

Income Status

☐ ≤ 50% AMGI

☐ ≤ 80% AMGI

☐ ≤ 0I **

Income Status

☐ _____

☐ _____

☐ ≤ 0I **

** Upon recertification, household was determined over income (OI) according to eligibility requirements of the program(s) marked above.

**SIGNATURE OF
OWNER /
REPRESENTATIVE**

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Regulatory Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER / REPRESENTATIVE

DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I – Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date	Enter the date the tenant has or will take occupancy of the unit.
Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
Address	Enter the street address.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.

Part II – Household Composition

List all occupants of the unit. State each household member's relationship to the head of the household by using one of the following coded definitions:

H	Head of household	S	Spouse
A	Adult co-tenant	O	Other family member
C	Child	F	Foster child
L	Live-in caretaker	N	None of the above

Enter the date of birth, student status, and Social Security number or alien registration number for each occupant.

If there are more than seven occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III – Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third-party verification forms obtained from each income source, enter the gross amount anticipated to be received for the 12 months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.)
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D) above. Enter this amount.

Part IV – Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the 12 months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).

TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

Row (K) Enter the Greater of the total in Column (I) or (J)

Row (L) Total Annual Household Income from All Sources Add (E) and (K) and enter the total

Exhibit C to Declaration of Restrictive Covenants

Certificate of Continuing Program Compliance

Date: _____

The following information with respect to the Project located at _____, Cottage Grove, Minnesota (the "Project"), is being provided by _____ (the "Owner") to the City of Cottage Grove (the "City"), pursuant to that certain Declaration of Restrictive Covenants, dated the ____ day of _____, 202_ (the "Declaration"), with respect to the Project:

(A) The total number of Rental Housing Units which are available for occupancy is 164. The total number of these units occupied is _____.

(B) The following Rental Housing Units (identified by unit number) are currently occupied by "Qualifying Tenants" as the term is defined in the Declaration (for a total of 164 units):

One bedroom apartment
Two bedroom apartment
Three bedroom apartment

(C) The following Rental Housing Units which are included in (B) above, have been re-designated as Rental Housing Units for Qualifying Tenants since _____, 202_, the date on which the last "Certificate of Continuing Program Compliance" was filed with the City by the Owner:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____

(D) The following Rental Housing Units are considered to be occupied by “Qualifying Tenants”, as the term is defined in the Declaration based on the information set forth below:

	Unit Number	Last Name of Tenant	Number of Persons Residing in the Unit	Number of Bedrooms	Total Adjusted Gross Income	Date of Initial Occupancy	Age	Date Vacated and Held for Qualifying Tenants, if Applicable
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								

(E) The Owner has obtained a “Certification of Tenant Eligibility,” in the form provided as Exhibit B to the Declaration, from each Tenant named in (D) above, and each

such Certificate is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent "Certification of Tenant Eligibility" for each Tenant named in (D) above who signed such a Certification since _____, 202__, the date on which the last "Certificate of Continuing Program Compliance" was filed with the City by the Owner.

(F) In renting the Rental Housing Units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants and persons meeting the minimum age restrictions); and none of the units listed in (D) above has been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the Rental Housing Units in the Project have been rented pursuant to a written lease, and the term of each lease is at least 12 months.

(G) The information provided in this "Certificate of Continuing Program Compliance" is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any "Certification of Tenant Eligibility" obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The Project is in continuing compliance with the Declaration.

(I) The Owner certifies that as of the date hereof all of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Declaration.

(J) The Project is in continuing compliance with the Declaration.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner,
on _____, 202__.

By: _____
Its: _____

EXHIBIT E TO
LOCAL AFFORDABLE HOUSING AID AGREEMENT
FORM OF LAHA MORTGAGE

COMBINATION MORTGAGE, SECURITY AGREEMENT, AND
FIXTURE FINANCING STATEMENT

THIS MORTGAGE IS EXEMPT FROM MORTGAGE REGISTRATION TAX IMPOSED BY MINNESOTA STATUTES, SECTION 287.035, PURSUANT TO MINNESOTA STATUTES, SECTION 287.04, BECAUSE THE PRINCIPAL AMOUNT OF THE ORIGINAL MORTGAGE LOAN REFERRED TO HEREIN IS MADE UNDER A LOW AND MODERATE INCOME OR OTHER AFFORDABLE HOUSING PROGRAM AND THE MORTGAGEE IS THE CITY OF COTTAGE GROVE, MINNESOTA, A MINNESOTA MUNICIPAL CORPORATION AND A LOCAL GOVERNMENT AGENCY ORGANIZED AND EXISTING UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MINNESOTA.

THIS COMBINATION MORTGAGE, SECURITY AGREEMENT, AND FIXTURE FINANCING STATEMENT is made effective this ____ day of ___, 2025, by COTTAGE GROVE AH I, LLLP, a Minnesota limited liability limited partnership whose address is _____ (the “Mortgagor” or “Borrower”), in favor of the CITY OF COTTAGE GROVE, MINNESOTA, a municipal corporation under the laws of the State of Minnesota whose address is 12800 Ravine Parkway South, Cottage Grove, Minnesota 55016 (the “Mortgagee”).

WITNESSETH:

That said Mortgagor hereby mortgages and conveys unto said Mortgagee and grants a security interest in those certain premises situated in the County of Washington, State of Minnesota, and legally described on Exhibit A attached hereto and made a part hereto (the “Property”).

Together with (i) all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon the Property; (ii) all lighting, heating, ventilating, air-conditioning, sprinkling and plumbing fixtures, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, communication systems, dynamos, transformers, electrical equipment and all other fixtures of every description located in or on, or used, or intended to be used in connection with the Property or any building now or hereafter located thereon (excluding, however, fixtures owned by tenants occupying space in any building now or hereafter located on the Property); (iii) all hereditaments, easements, appurtenances, riparian rights, rents, issues, profits, insurance proceeds, condemnation awards, mineral rights and water rights now or hereafter belonging or in any way pertaining to the Property or to any building now or hereafter located thereon and all the estates, rights and interests of the Borrower in the Property; (iv) all building materials, furniture, furnishings, maintenance equipment and all other

personal property now or hereafter located in, or on, or used, or intended to be used in connection with the Property or any building now or hereafter located thereon and all replacements and additions thereto (excluding personal property owned by tenants occupying space in any building now or hereafter located on the Property); and (v) all proceeds of all of the foregoing (all of the foregoing, are collectively hereinafter referred to as the "Project" which is further described in Exhibit C) and the filing of this Mortgage shall constitute the filing of a financing statement in the office wherein it is filed and a carbon, photographic or other reproduction of this document may also be filed as a financing statement:

Name and Address of Debtor and Record Owner of the Property:	Cottage Grove AH I, LLLP 579 Selby Avenue St. Paul, MN 55102 Attn: _____
Names and Addresses of Secured Party:	City of Cottage Grove, Minnesota 12800 Ravine Parkway South Cottage Grove, MN 55016 Attention: City Administrator
Description of the Types (or items) of property covered by this financing statement:	See above and Exhibit C
Description of real estate to which all or part of the collateral is attached or upon which it is located:	See Exhibit A attached hereto.

Some of the above described collateral are or shall become fixtures upon the real estate described on Exhibit A, and this financing statement is to be filed for record in the public real estate records.

This Mortgage is given in consideration of and as security for the payment of a loan (the "LAHA Loan") totaling \$_____ or such amount that is advanced which is made to Mortgagor to finance certain costs incurred by Mortgagor in connection with the construction on the Property of the Project. The LAHA Loan is evidenced by a Promissory Note in the amount of \$_____ of even date herewith (the "Promissory Note") made by Mortgagor, with a maturity date of _____, 20__, the terms and conditions of which are incorporated herein. The entire principal of the LAHA Loan, and all accrued interest thereon, shall be due and payable in accordance with the terms of the Promissory Note. The terms, conditions and definitions contained in the Promissory Note are incorporated herein.

Mortgagor makes and includes in this Mortgage the Statutory Covenants and other provisions set forth in Minnesota Statutes, Section 507.15, and Mortgagor covenants with Mortgagee the following covenants:

- A. To warrant title to the Property, subject to those matters set forth on Exhibit B attached hereto;
- B. To pay the indebtedness as provided in the Promissory Note;
- C. To pay all taxes as applicable;
- D. That the Property shall be kept in repair and no waste shall be committed and no hazardous substances or materials shall be allowed on the Property except as may be used in the ordinary course of operation of the Project;
- E. Mortgagor shall keep any buildings on the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of said buildings, for the protection of Mortgagee subject to the rights of any prior Mortgagee;
- F. That the whole of the principal sum evidenced by the Promissory Note, and any accrued interest thereon, shall become due after default by Mortgagor in any payment of principal or of any tax as and where due and payable (provided that any such tax need not be paid so long as Mortgagor is contesting such payment in good faith), or in the performance of any other covenant, at the option of the Mortgagee, as provided hereafter and in the Promissory Note; and
- G. To pay, when due, the principal and interest on other mortgages, as set forth in Exhibit B hereto.

In case of failure to pay said taxes and assessments, prior liens or encumbrances and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, Mortgagee may, in its sole discretion, pay such taxes, assessments, prior liens, expenses, and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the rate of 5.00% per annum, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to Mortgagee and this Mortgage shall from date thereof secure the repayment of such advances with interest.

The Mortgagee, or its agents, shall have the right at all reasonable times upon prior written notice, to enter upon the Property for purposes of inspecting the Property and the Project or any part thereof. The Mortgagee shall however, have no duty to make such inspection.

Mortgagor shall not lease, sublease, encumber, sell, transfer, convey, assign or otherwise transfer all or any part of its interest in the Property without prior written consent of Mortgagee, provided however, nothing in this paragraph shall prohibit Mortgagor, without the consent or approval of the Mortgagee, from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easement or other agreements necessary for the operation of the Property or the Project, (iii) admitting or removing limited partners or transferring direct or indirect limited partner interests or interest in the general partner of Mortgagor or admitting or removing members of any of Mortgagor's partners in accordance with the applicable organizational

documents, (iv) removing the general partner of Mortgagor for cause at the direction of its limited partner(s) (whether one or more, the "Tax Credit Investor") in accordance with Mortgagor's partnership agreement, (v) entering into any loan documents for the purpose of obtaining construction, interim or permanent financing for the Project or performing its respective obligations thereunder, or (vi) pledging an interest in the general partner of Mortgagor to a mortgage lender or permitting the removal or replacement of its general partner in connection with such pledge.

If default shall be made in payment of said sum when due or in any of the covenants or agreements contained herein or in the Promissory Note shall occur (and such default shall continue for a period of 30 days after written notice to Mortgagor from Mortgagee specifying such default, or, if such default cannot reasonably be cured within 30 days, for such additional period of time not exceeding 60 days as may be necessary to cure such default with the exercise of due diligence so long as Mortgagor is diligently proceeding to cure such default), Mortgagee, subject to the restrictions and limitations set forth in the Promissory Note, may declare immediately due and payable the entire unpaid principal balance of the Promissory Note together with interest hereon, and Mortgagee, and its successors and assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota, in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Promissory Note with interest, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law, and to exercise and enforce any and all of its rights and remedies available after default to a secured party under Minnesota's Uniform Commercial Code.

Mortgagee, prior to acceleration, shall furnish written notice to Mortgagor at the address provided herein, by certified or registered United States mail, postage prepaid, specifying:

1. The event of default;
2. The action required to cure such event;
3. A date, not less than 30 days from the date the notice is mailed to Mortgagor, by which such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and Sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice (or such later date determined in accordance with the previous paragraph), Mortgagee at Mortgagee's option, but subject to the restrictions and limitations in the Agreement (as defined herein), may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any

proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of:

- (a) Sale of the Property pursuant to the power of sale contained in this Mortgage; or
- (b) A judgment enforcing this Mortgage, if:
 - (1) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Promissory Note at the commencement of foreclosure proceedings under this Mortgage;
 - (2) Mortgagor cures all breaches of any other covenants or agreements by Mortgagor contained in this Mortgage;
 - (3) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorneys' fees; and
 - (4) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's interest in the Property, and Mortgagor's obligation to pay the sums secured by this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUTES, CHAPTER 581, OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES, CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED. MORTGAGOR ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE. EXCEPT AS MAY BE PROVIDED IN SAID STATUTES AND THIS MORTGAGE, MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE IN CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS MORTGAGE, THIS SECTION AND MORTGAGOR'S CONSTITUTIONAL RIGHTS WERE FULLY EXPLAINED BY SUCH COUNSEL; AND THAT MORTGAGOR UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER.

This Mortgage and the Promissory Note shall be construed in accordance with the laws of the State of Minnesota.

Mortgagor shall have the right and privilege, but not the obligation, to borrow additional funds and to further encumber the security and collateral given and pledged to Mortgagee hereunder at any time, from time to time, and as often as Mortgagor shall determine, without the consent of the Mortgagee unless required by the Agreement.

This Mortgage shall constitute a security agreement within the meaning of the Minnesota Uniform Commercial Code ("Code"), and the Mortgagor hereby grants to the Mortgagee a security interest within the meaning of the Code in the property described in Exhibit C attached hereto.

In addition to other obligations described herein, the Mortgagor is liable for:

- (a) Damage to the Property or injury to persons or property as a result of hazardous materials, substances or violations of environmental laws;
- (b) Application of insurance proceeds or condemnation award other than pursuant to the provisions of the Mortgage;
- (c) Waste or damage to the Property; and
- (d) Failure to pay real estate taxes or assessments on the Property, provided that any such tax need not be paid so long as Mortgagor is contesting such payment in good faith.

All notices to be given pursuant to this Mortgage shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. The Mortgagor and the Mortgagee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. The initial addresses for notices and other communications are as follows:

To the Mortgagee: City of Cottage Grove, Minnesota
 12800 Ravine Parkway South
 Cottage Grove, MN 55016
 Attention: City Administrator

To the Mortgagor: Cottage Grove AH I, LLLP
 579 Selby Avenue
 St. Paul, MN 55102
 Attention: _____

None of Mortgagor or any of Mortgagor's partners, officers, directors, employees, or agents shall have any personal liability for Mortgagor's obligations related to the LAHA Loan, it being recognized by Lender that except as expressly set forth in the Local Affordable Housing Agreement, dated as of _____, 2025, as the same may be amended from time to time (the "Agreement"), between the City of Cottage Grove, Mortgagee, and Mortgagor, that Mortgagor's obligations are nonrecourse obligations and that Mortgagee's remedies are limited to the security provided in connection with the LAHA Loan. Any capitalized terms not defined herein shall have the meaning ascribed to such terms in the Agreement.

Notwithstanding anything in the contrary contained in this Mortgage, Mortgagee agrees to apply all insurance proceeds resulting from casualty or damage to the Project and all payments or awards resulting from a taking, for any public or quasi-public purpose by any lawful power or authority by exercise of the power of condemnation or eminent domain, towards the restoration, replacement or rebuilding of the Project, or any part thereof, as nearly as possible to its value, condition and operational character immediately prior to such damage, destruction or taking.

Mortgagee agrees, notwithstanding any other provision in this Mortgage to the contrary, that in the event of a foreclosure on the Property, that no tenant may be evicted or tenancy terminated (other than for good cause), and the rent on no apartment unit may be increased, for the three year period following foreclosure if such eviction, termination of tenancy, or increase in rent would be contrary to the provisions of Section 42(h)(6)(E) of the Internal Revenue Code of 1986, as amended. This Mortgage is expressly subordinate to this provision.

IN WITNESS WHEREOF, Mortgagor has caused this Combination Mortgage, Security Agreement, and Fixture Financing Statement to be duly executed as of the day and year first above written.

COTTAGE GROVE AH I, LLLP, a
Minnesota limited liability limited partnership

By: _____
Name: _____
Its: _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was executed before me this _____ day of _____, 2025, by _____, the _____ of Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership, on behalf of the limited liability limited partnership.

Notary Public

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

EXHIBIT A TO LAHA MORTGAGE

LEGAL DESCRIPTION

Lot 1, Block 1, Preserve at Prairie Dunes, Washington County, Minnesota.
[to be completed]

EXHIBIT B TO LAHA MORTGAGE
PERMITTED ENCUMBRANCES

[Insert Permitted Encumbrances]

EXHIBIT C TO LAHA MORTGAGE

COLLATERAL DESCRIPTION

As used herein, the term “Debtor” shall mean and include the terms “Mortgagor,” “Grantor,” and “Borrower”; the term “Secured Party” shall mean and include the terms “Lender,” “Beneficiary,” and “Creditor.”

This Exhibit C is attached to, incorporated by reference in and forms a part of certain documents (collectively, the “Security Documents”) of even date herewith executed and delivered by the Debtor in connection with the financing of the Project (as hereinafter defined), including (i) the Combination Mortgage, Security Agreement, and Fixture Financing Statement; and (ii) financing statements.

This Exhibit C refers to the following collateral, which may be now or hereafter located on the premises of, relate to, or be used in connection with that certain approximately 164-unit multifamily rental housing development described in the Agreement (the “Project”), located in Cottage Grove, Minnesota.

1. All materials now owned or hereafter acquired by the Debtor and intended for construction, alteration and repair of any building, structure or improvement now or hereafter erected or placed on the property described in Exhibit A (the “Property”), all of which materials shall be deemed to be included within the Project immediately upon the delivery thereof to the Project.

2. All the walks, fences, shrubbery, driveways, fixtures, machinery, apparatus, equipment, fittings, and other goods and other personal property of every kind and description whatsoever, now owned or hereafter acquired by the Debtor and attached to or contained in and used or usable in connection with any present or future operation of the Project, including, by way of example rather than of limitation, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures, fans and switchboards; all telephone equipment; all piping, tubing, plumbing equipment and fixtures; all heating, refrigeration, air conditioning, cooling, ventilating, sprinkling, water, power and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture installed or to be installed or used or usable in the operation of any part of the Project or facilities erected or to be erected in or upon the Property; and every renewal or replacement thereof or articles in substitution thereof, whether or not the same are now or hereafter attached to the Property in any manner; all except for any right, title or interest therein owned by any tenant (it being agreed that all personal property owned by the Debtor and placed

by it on the Property shall, so far as permitted by law, be deemed to be affixed to the Property, appropriated to its use, and covered by each of the Security Documents to which this Exhibit is attached).

3. All of the Debtor's right, title and interest in and to any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation (collectively, the "Awards") heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (I) any taking of the Property or any part thereof by the exercise of the power of condemnation or eminent domain, or the police power, (II) any change or alteration of the grade of any street, or (III) any other injury or decrease in the value of the Property or any part thereof (including but not limited to destruction or decrease in value by fire or other casualty), all of which Awards, rights thereto and shared therein are hereby assigned to the Secured Party, who is hereby authorized to collect and receive the proceeds thereof and to give property receipts and acquittances therefor and to apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured party, of the indebtedness secured by the Security Documents.

4. All of the Debtor's right, title and interest in and to any and all payments, proceeds, settlements or other compensation heretofore and hereafter made, including interest thereon, and the right to receive the same from any and all insurance policies covering the Property or any portion thereof, or any of the other property described herein.

5. The interest of the Debtor in and to all of the rents, royalties, issues, profits, revenues, income, and other benefits of the Property other than tax credits, or arising from the use or enjoyment pertaining thereto, and all right, title and interest of the Debtor in and to, and remedies under, all contract rights, account receivable and general intangibles arising out of or in connection with any and all leases and subleases of the Property, or any part thereof, and of the other property described herein, or any part thereof, both now in existence or hereafter entered into, together with all proceeds (cash and non-cash) thereof; and including, without limitation, all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder.

6. All of the Debtor's rights, options, powers and privileges in and to (but not the Debtor's obligations and burdens under) any construction contract, architectural and engineering agreements and management contract pertaining to the construction, development, ownership, equipping and management of the Property and all of the Debtor's rights, title, and interest in and to (but not the Debtor's obligations and burdens under) all architectural, engineering and similar plans, specifications, drawings, reports, surveys, plats, permits and the like, contracts for construction operation and maintenance of, or provision of services to, the Property or any of the other property described herein, and all sewer taps and allocations, agreements for utilities, bonds and the like, all relating to the Property.

7. All intangible personal property, accounts, licenses, permits, instruments, contract rights, and chattel paper of the Debtor relating to the Project, including but not limited to cash; accounts receivable; bank accounts; certificates of deposit; securities; promissory notes; rents; rights (if any) amounts held in escrow; insurance proceeds; condemnation rights; deposits;

judgements, liens and causes of action; warranties and guarantees. Provided, however, that the security interest granted herein shall not include any of the foregoing which do not relate to the operation of the Project or any tax credits.

8. The interest of the Debtor in any cash escrow fund and in any and all funds, securities, instruments, documents and other property which are at any time paid to, deposited with, under the control of, or in the possession of the Secured Party, or any of its agents, branches, affiliates, correspondents or others acting on its behalf, which rights shall be in addition to any right of set-off or right of lien that the Secured Party may otherwise enjoy under applicable law, regardless of whether the same arose out of or relates in any way, whether directly or indirectly, to the Project located upon the Property.

9. The interest of the Debtor in and to any and all funds created or established and held by the trustee pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Property.

10. All inventory, including raw materials, components, work-in-process, finished merchandise and packing and shipping materials owned by the Debtor and located on the Property.

11. Proceeds, products, returns, additions, accessions and substitutions of and to any or all of the above, but not including sale proceeds of a permitted transfer of the Project.

12. Any of the above arising or acquired by the Debtor or to which the Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

13. Any of the above which may become fixtures by virtue of attachment to the Property.

14. All of the records and books of account now or hereafter maintained by or on behalf of the Debtor in connection with the Project.

15. All names now or hereafter used in connection with the Project and the goodwill associated therewith.

EXHIBIT F

FORM OF LAHA PROMISSORY NOTE

PROMISSORY NOTE

\$916,000

Cottage Grove, Minnesota
Dated: _____, 2025

1. FOR VALUE RECEIVED, Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership (the “Borrower”) promises to pay to the order of the City of Cottage Grove, a municipal corporation under the laws of Minnesota (the “City”), at its office at 12800 Ravine Parkway South, Cottage Grove, MN 55016, or at any other place that the holder of this Note subsequently designate, in writing, the principal sum of \$_____, or such lesser amount as the City actually advances to the Borrower in accordance with the terms of that certain Local Affordable Housing Aid Agreement between the Borrower and the City bearing even date herewith, as the same may hereafter be amended from time to time (the “Agreement”).

2. This Note shall bear 0% interest and be repayable to the City in a single balloon payment upon the earliest of the following: (i) the refinancing and/or resyndication of the Minimum Improvements; (ii) the sale or transfer of the Minimum Improvements; provided, however, that the Developer may transfer the Minimum Improvements to an Affiliate of the Developer without such repayment obligation; or (iii) as set forth in section 8.1 of the Agreement. Notwithstanding the foregoing, the Developer may convert or refinance its construction loan for the Minimum Improvements with a mortgage lender providing construction financing for the Minimum Improvements to a permanent loan, and the occurrence of such transaction shall not, on its own, cause the LAHA Loan to be repayable to the City. Notwithstanding anything contained herein to the contrary, upon the expiration of the period of 15 years from the date of issuance of the Certificate of Completion, the City shall forgive the LAHA Loan if the affordability requirements of the Declaration remain in place and there is no uncured Event of Default by the Developer.

3. The Borrower shall have the right to fully or partially prepay this Note at any time without penalty.

4. This Note is issued under the terms and provisions of the Agreement as the same may be amended from time to time. The holder of this Note is entitled to all of the benefits provided in the Agreement, or referenced in the Agreement, to which Agreement reference is made for statement of the terms and conditions under which the indebtedness evidenced hereby was incurred and the Event(s) of Default under which the due date of this Note may be accelerated. The provisions of the Agreement are incorporated by reference herein with the same force and effect as are fully set forth herein.

5. The Borrower waives presentment for payment, notice of nonpayment protest and notice of protest hereon and agrees to pay all costs of collection, including but not limited to,

reasonable attorney” fees, whether or not suit is commenced.

6. No delay on the part of the Lender in the exercise of any power or right under this Note or under the Agreement or any other instrument executed in connection therewith shall operate as a waiver thereof, nor shall a single or partial exercise of any power or right preclude other or further exercise thereof or exercise of any other power or right.

7. Any capitalized terms not defined herein shall have the meaning ascribed to such terms in the Agreement.

8. This Note and the other loan documents for the LAHA Loan are nonrecourse obligations of Borrower and its partners.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed the date and year first written above.

BORROWER:

COTTAGE GROVE AH I, LLLP, a
Minnesota limited liability limited
partnership

By: _____

Its: _____

Date: _____, 2025

40989831v2

MEMORANDUM

TO: Brenda Malkowski – Finance Director, City of Cottage Grove
FROM: Schane Rudlang and Stacie Kvilvang – Ehlers
DATE: November 13, 2025
SUBJECT: Real Estate Equities Tax Credit Housing Project - **42M Letter Support Memorandum**

In April of 2025, the City of Cottage Grove (“City”) received a request of public assistance from Real Estate Equities (“Developer”) for a 164-unit apartment project at Hadley Ave and 100th St in Cottage Grove (“Project”). The Project will qualify for federal low-income housing tax credits (known as 4% credits or simply tax credits) by virtue of an allocation of tax-exempt bond authority from the State of Minnesota.

As part of the tax-exempt bonding process a justification letter is required to meet an Internal Revenue Service requirement that a public body make a finding the tax credits are necessary to make the Project financially feasible. This letter is known as a 42M letter. Taft, as the City’s Bond Counsel, indicates such a letter is reasonable to issue once the City conducts due diligence on the finances of the Project. We are not aware of any guidance from the IRS as to the form or level of detail of such due diligence. This memorandum is intended to serve as the necessary due diligence for issuance of the 42M letter and for the analysis of the need for the \$916,000 in funding from the City via Local Affordable Housing Aid (“LAHA”).

We approached our review of the Project from the same perspective as we would any other private developer requesting financial assistance. This memorandum is only a review of the financial structure. It is not an appraisal, a feasibility study, or a document intended to assist in the offering of the bonds proposed to be issued for the Project. Our only client in this transaction is the City, and we are not aware of any conflicts of interest. We are not serving as a Municipal Advisor to the City, or to the Developer, on the bond transaction.

Ehlers is in receipt of the following information on the Project: mortgage lender commitment/LOI, evidence of site control, syndication commitment/LOI, and financial proforma.

The analysis of the proforma is based on the Developer’s Multifamily Application Workbook submitted to the Washington County CDA, which details sources and uses, as well as the operating proforma for the Project. Ehlers conducted a review of the Workbook based on industry standards for project costs, affordable rental rates and operating expenses, developer fees, available funding sources, underwriting and financing criteria, and project cash flow. The anticipated sources and uses are as follows:

SOURCES

	Amount	Pct.	Per Unit
First Mortgage	32,075,000	57%	195,579
CF Note	2,000,000	4%	12,195
Equity	1,436,533	3%	8,759
Tax Credits	14,568,915	26%	88,835
CG LAHA	916,000	2%	5,585
Deferred Developer Fee (58% of Total	3,041,527	5%	18,546
Other Public Sources	2,695,000	5%	16,433
TOTAL SOURCES	56,732,975	100%	345,933

USES

	Amount	Pct.	Per Unit
Acquisition Costs	1,007,406	2%	6,143
Construction Costs	34,151,496	60%	208,241
Contractor Fee	4,260,654	8%	25,980
Professional Services	3,421,876	6%	20,865
Financing Costs	7,144,544	13%	43,564
Developer Fee	5,220,000	9%	31,829
Cash Accounts/Escrows/Reserves	1,526,999	3%	9,311
TOTAL USES	56,732,975	100%	345,933

Project and Pro Forma Analysis:

Generally, the Project meets the expectations of a low-income housing tax credit development with regards to the financing structure, projected revenues, on-going operational costs, and developer fee. The findings of this analysis include:

1. **Acquisition Costs:** The proposed acquisition cost of the land is \$1,007,406, or \$6,143 per unit. The proposed acquisition price is reasonable based on other projects in the area.
2. **Construction/Rehabilitation Costs:** The total development cost for the project is estimated to be \$56,732,975, \$345,933 per unit, or \$350 per rentable square foot. The per unit cost and per rentable square foot costs are high but unfortunately the “new normal.”
3. **Rental Income:** Rents are governed by restrictions derived by the United States Department of Housing and Urban Development on an annual basis. The rents shown in the proforma conform to these limits.
4. **Operating Expenses:** The operating costs are projected at \$4,659 per unit before management fees, property taxes, and replacement reserves. Operating expenses typically range between \$3,500 and \$5,000 per unit for affordable apartment projects.

The management costs are projected at 3.0% of effective gross income (EGI), which is within the typical market range of 3% to 6% of EGI.

5. **Reserves:** Replacement reserves are proposed at \$450 per unit, which is comparable to the \$250 to \$450 per unit commonly found within the housing market.
6. **Mortgage:** The Project contains a first mortgage of \$32,075,000 from Colliers with an interest rate of approximately 5.74%, amortized over 45 years, and a term of 17 years. Based on the anticipated financing terms, the project has maximized its potential debt from this source.
7. **City Forgivable LAHA Loan:** Pending approval, the Project would receive a \$916,000 forgivable loan from the City from LAHA funds. This loan will bear no interest and be forgivable after 17 years.
8. **Tax Credits:** The project received a tax credit price of \$0.79 for every \$1.00 of available tax credits from USBCDC, which is calculated to generate approximately \$14,568,915 of proceeds for the Project. Tax credit pricing varies and has been trending lower in recent months. The tax credit pricing appears reasonable.
9. **Developer Fee and Deferred Developer Fee:** The developer fee of \$5,220,000 is 9.2% of total development costs and is consistent with underwriting requirements and other projects using 4% low-income housing tax credits. The Developer will defer \$3,041,527 or 58% of its fee to help close the remaining financial gap. The remaining fee will be paid out of available cashflow over 10 years. This partial deferral and the timeline for full payment is typical of tax credit projects.
10. **Owner Cash Flow Note:** The project contains a \$2.0 million cash flow note from the owner. This functions as a 7.5% simple interest loan to the project with interest paid before the deferred developer fee is paid.

Recommendation:

Based upon the analysis of the information provided in the development proforma and financing structure, the project demonstrates a need for approximately \$1,844,351 of annual low-income housing tax credits projected to generate a total of approximately \$14,568,915 in tax credit equity. The project does not appear to be requesting more credits than necessary to achieve financial feasibility. The \$916,000 in LAHA funding is also necessary to make the project financially feasible.



2200 IDS Center, 80 South 8th Street
Minneapolis, MN 55402-2210
Tel: 612.977.8400 | Fax: 612.977.8650
taftlaw.com

Affirmative Action, Equal Opportunity Employer

Rhonda M. Skoby
612.977.8907
rskoby@taftlaw.com

November 12, 2025

BY E-MAIL

City Council
Brenda Malinowski, Finance Director
City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016

Re: Issuance of Conduit Multifamily Housing Revenue Bonds by the City of Cottage Grove for Multifamily Housing Project (Hadley Ridge Apartments Project) – Real Estate Equities, LLC

Dear Councilmembers and Ms. Malinowski:

This letter is intended to provide background on the resolution that you will consider on November 19th in connection with the proposed issuance of conduit multifamily housing revenue bonds or other obligations (the “Bonds”) by the City of Cottage Grove (the “City” or “Issuer”) to finance the acquisition, construction, and equipping of an approximately 164-unit multifamily housing development for occupancy by persons of low and moderate income and facilities functionally related and subordinate thereto to be located at the southeast corner of Hadley Avenue South and 100th Street South in the City, at or about 10015 Hamlet Avenue South (the “Project”), at the request of Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership (the “Borrower”), which is an affiliate of Real Estate Equities, LLC. Taft Stettinius & Hollister LLP (“Taft”) will act as bond counsel to the City in connection with the issuance of such Bonds.

Background

On June 5, 2024, the City Council of the City adopted Resolution 2024-086 (the “Original Preliminary Resolution”), granting preliminary approval to the Bonds, in an approximate principal amount of \$32,000,000, in order to finance a portion of the Project. The City applied for and received an allocation of volume cap authority from the State of Minnesota authorizing the issuance of \$30,250,000 of tax-exempt bonds.

The Borrower subsequently requested an increased issuance of Bonds, in the total amount of \$50,000,000 (an increase of \$18,000,000 from the approval granted in the Original Preliminary Resolution). In order for the City to issue a portion of the increased amount of Bonds on a tax-exempt basis, the Borrower proposed to use “recycled” volume cap authority from the Washington

County Community Development Agency's Multifamily Housing Revenue Bonds (Cottage Grove Bluestem Project), Series 2024, issued in the original aggregate principal amount of \$8,220,000 (the "Recycled Bonds"). The remainder of the requested increase in bond issuance would be issued on a taxable basis, and that portion therefore does not require volume cap authority.

Section 146(i)(6) of the Internal Revenue Code of 1986, as amended (the "Code") permits the reuse or recycling of volume cap bonding authority for affordable housing projects and treats such reuse as a refunding for tax purposes if: (i) the "refunding" occurs within four (4) years after the original bonds were issued; (ii) the "refunding" bonds are issued within six (6) months after the principal payment of the original bonds; and (iii) the "refunding" bonds mature within thirty-four (34) years of the original issue date. The Borrower represented that the Recycled Bonds satisfy these criteria.

On August 6, 2025, the City Council of the City adopted Resolution 2025-109 (the "Additional Preliminary Resolution"), granting additional preliminary approval of (i) the Bonds in an increased approximate maximum aggregate principal amount of \$50,000,000 and (ii) the Interim Loan (as hereinafter defined) to preserve the recycled bonding authority. The Additional Preliminary Resolution also authorized a Housing Program for the Project to be submitted to the Met Council and called for a public hearing on the Housing Program, the Bonds, and the Interim Loan, to be held on August 20th.

On August 20, 2025, the City Council of the City held a public hearing on the Housing Program, the Bonds, and the Interim Loan and subsequently adopted Resolution 2025-118 (the "Recycling Approval Resolution"), adopting the Housing Program and authorizing the Interim Loan and execution of related documents.

In accordance with the Recycling Approval Resolution, on August 29, 2025, the City entered into a Joint Powers Agreement with the Washington County Community Development Agency, borrowed an amount equal to the outstanding amount of the Recycled Bonds (the "Interim Loan") from Bridgewater Bank, a Minnesota banking association (the "Interim Lender"), and issued the \$8,220,000 City of Cottage Grove, Minnesota Taxable Multifamily Housing Revenue Refunding Note (Interim Loan – Hadley Ridge Apartments Project), Series 2025 (the "Interim Note"). To secure and fully collateralize the Interim Loan, the Borrower deposited an amount equal to the Interim Loan with the Interim Lender. The cash-collateralized Interim Loan will remain outstanding until new Bonds are issued for the Project. If the new Bonds are not issued, the cash collateral provided by the Borrower will be used to repay the Interim Loan in full.

On September 1, 2025, the proceeds of the Interim Loan were used to redeem the Recycled Bonds, thereby making the volume cap allocated to the Recycled Bonds available to the new tax-exempt Bonds to be issued for the Project.

The November 19th City Council Meeting and Resolution

The resolution to be considered by the City Council on November 19, 2025, if approved, would authorize the issuance of tax-exempt and taxable Bonds in the aggregate amount not to exceed \$50,000,000 and the execution of the related documents, including the Trust Indenture,

Loan Agreement, Regulatory Agreement and Bond Purchase Agreement (each as available on file for your review) and the associated closing certificates. If approved, the Bonds must be issued prior to the expiration of the volume cap allocation on December 31, 2025.

Conduit Bonds

Like the Interim Note, the Bonds are to be issued only on a “conduit” basis. The City and the Borrower will enter into the Loan Agreement, under which the Borrower will agree to pay all principal and interest on the Bonds. The Issuer will assign all of its rights to payments under the Loan Agreement to the trustee and loan the purchase price of the Bonds directly to the Borrower. The Issuer is merely a conduit, and the money and obligations flow only between the trustee and the Borrower. No wires or other funds would flow to or from the City (other than receipt by the City of its issuer’s fee).

The Bonds and the resolution adopted by the Issuer will recite that the Bonds, if and when issued, will not be payable from or charged upon any of the Issuer’s funds, other than the revenues received under the Loan Agreement and pledged to the payment of the Bonds, and the Issuer is not subject to any liability on the Bonds. No holder of the Bonds will ever have the right to compel any exercise by the Issuer of its taxing powers to pay any of the principal of the Bonds or the interest or premium thereon, or to enforce payment of the Bonds against any property of the Issuer except the interests of the Issuer in payments to be made by the Borrower under the Loan Agreement. The Bonds will not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer, except the interests of the Issuer in payments to be made by the Borrower under the Loan Agreement. The Bonds are not moral obligations on the part of the State of Minnesota or its political subdivisions, including the Issuer, and the Bonds will not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation.

The issuance of the Bonds will not affect the Issuer’s credit rating on bonds it issues for municipal purposes. The Borrower is responsible for paying all costs of issuing the Bonds, including Taft’s fees as bond counsel. The City’s administrative fee for issuing the Bonds would be based on the total amount of Bonds issued.

The Bonds will be issued in accordance with Minnesota Statutes, Chapter 462C and Section 142(d) of the Code. Multifamily housing development bonds are not applied against the City’s \$10,000,000 calendar-year limit on bank-qualified bonds. Therefore, this issuance will not affect the bank-qualified status of the City’s own general obligation bonds issued earlier this year. Because the City has no financial obligation with respect to the proposed Bonds, the Bonds will not be treated as debt of the City or count against any of the City’s debt limitations.

In connection with the Bonds, the Project will be subject to certain rent and income restrictions. Under the Regulatory Agreement, the Borrower will agree to operate the Project as a “qualified residential rental project” in which at least 40% of the units will be set aside for persons and families with income at or below 60% of area median income for a period of at least fifteen years. Moreover, the maximum rent for at least 20% of the units in the Project must not exceed the area fair market rents or exception fair market rents established by the U.S. Department of Housing and Urban Development. The Borrower also expects the Project to qualify for federal low-income

housing tax credits. To that end, the Borrower will also execute an extended use agreement with respect to the Project, which will impose rent and income restrictions on 100% of the units.

Please let me know if you would like to discuss any aspect of the proposed financing. The Borrower and its underwriter have also indicated that they will make themselves available for discussion.

Very truly yours,

/s/ Rhonda M. Skoby

cc: Mary Ippel, Taft

EXTRACT OF MINUTES OF A MEETING OF THE CITY COUNCIL
OF THE CITY OF COTTAGE GROVE, MINNESOTA

HELD: NOVEMBER 19, 2025

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Cottage Grove, Washington County, Minnesota, was duly held at City Hall on November 19, 2025, at 7:00 P.M., for the purpose, in part, of granting approval to the issuance of Multifamily Housing Revenue Bonds.

The following members were present:

and the following members were absent:

Councilmember _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2025-160

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF ITS
MULTIFAMILY HOUSING REVENUE BONDS (HADLEY RIDGE
APARTMENTS PROJECT), SERIES 2025ABCD; APPROVING THE FORM
OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH
OBLIGATIONS AND RELATED DOCUMENTS; PROVIDING FOR THE
SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE
OBLIGATIONS; AND GRANTING APPROVAL FOR CERTAIN OTHER
ACTIONS WITH RESPECT THERETO

BE IT RESOLVED by the City of Cottage Grove, Minnesota (the “Issuer”), as follows:

Section 1. Recitals.

1.01 The Issuer is a statutory city, municipal corporation, and political subdivision duly organized and existing under the constitution and laws of the State of Minnesota and is authorized by the laws of the State of Minnesota, particularly Minnesota Statutes, Chapter 462C, as amended (the “Housing Act”), to issue revenue obligations to finance multifamily housing developments pursuant to housing programs adopted by the Issuer and to enter into any agreements in connection therewith; and

1.02 Cottage Grove AH I, LLLP, a Minnesota limited liability limited partnership (together with its affiliates or assigns, the “Borrower”), has requested that the Issuer issue one or more series of taxable or tax-exempt revenue obligations under the Housing Act and lend the proceeds thereof to the Borrower to finance the acquisition, construction, and equipping of a multifamily housing development consisting of approximately 164 units of affordable rental housing and facilities functionally related and subordinate thereto, to be located at or about 10015 Hamlet Avenue South in the City of Cottage Grove, Minnesota, and known as the Hadley Ridge Apartments (the “Project”); and

1.03 Under Section 146 of the Internal Revenue Code of 1986, as amended (the “Code”), the Issuer must receive an allocation of the bonding authority of the State of Minnesota in order to issue multifamily housing revenue obligations the interest on which is excludable from gross income for federal income tax purposes under Sections 141(e)(1)(A), 142(a)(7), and 142(d) of the Code and an application for such an allocation must be made pursuant to the requirements of Minnesota Statutes, Chapter 474A (the “Allocation Act”); and

1.04 On June 5, 2024, the City Council of the Issuer (the “City Council”) adopted Resolution 2024-086 (the “Original Preliminary Resolution”), granting preliminary approval to the issuance of one or more series of multifamily housing revenue bonds or other obligations in an aggregate principal amount not to exceed \$32,000,000 in order to finance a portion of the Project and approving the submission of an application to the State of Minnesota Department of Management and Budget (“MMB”) for an allocation of tax-exempt bonding authority in accordance with the requirements of Section 146 of the Code and the requirements of the Allocation Act; and

1.05 The Original Preliminary Resolution constitutes a reimbursement resolution and an official intent of the Issuer to reimburse expenditures with respect to the Project from the proceeds of tax-exempt revenue obligations in accordance with the provisions of Treasury Regulations, Section 1.150-2; and

1.06 In accordance with the authority granted under the Original Preliminary Resolution, the Issuer, in cooperation with the Borrower, submitted an application for an allocation of bonding authority to MMB pursuant to Section 146 of the Code and the requirements of the Allocation Act; and

1.07 The Issuer received Certificate of Allocation No. 514, dated July 7, 2025, from MMB allocating tax-exempt bonding authority of the State of Minnesota to the Issuer for the Project in the amount of \$30,250,000, pursuant to the Allocation Act; and

1.08 The Borrower determined that it needed to obtain additional tax-exempt financing for the Project and requested the issuance of an additional principal amount of \$18,000,000, in one or more series of tax-exempt or taxable bonds, for a total principal issuance of approximately \$50,000,000 in order to finance the costs of the Project; and

1.09 Section 146(i)(6) of the Code permits the reuse or “recycling” of bonding authority for affordable housing projects and treats such reuse as a refunding for tax purposes if: (i) the “refunding” occurs within four (4) years after the original bonds were issued; (ii) the “refunding” bonds are issued within six (6) months after the principal payment of the original bonds; and (iii) the “refunding” bonds mature within thirty-four (34) years of the original issue date; and

1.10 On August 6, 2025, the City Council adopted Resolution No. 2025-109 (the “Recycling Preliminary Resolution”), under the terms of which the Issuer (i) granted preliminary approval to the issuance of one or more series of multifamily housing revenue bonds or other obligations in an increased approximate maximum aggregate principal amount of \$50,000,000, including any temporary or interim financing to preserve the recycled bonding authority, to finance a portion of the Project, using, in part, recycled bonding authority, in

accordance with Minnesota Statutes, Sections 471.59 and 471.56, as amended (“Joint Powers Act”) and Section 146(i)(6) of the Code; (ii) authorized the preparation of a housing program with respect to the Project in accordance with the requirements of the Housing Act and submission of the housing program to the Metropolitan Council for its review and comment; and (iii) authorized a public hearing to be conducted by the City Council on August 20, 2025, or such other date to be determined by Issuer staff, with respect to the Project, the housing program, and the proposed issuance of the revenue obligations by the Issuer to finance the Project; and

1.11 In accordance with the Housing Act and the Recycling Preliminary Resolution, a housing program (the “Housing Program”) with respect to the Project was prepared and submitted to Metropolitan Council for its review and comment in accordance with the requirements of the Housing Act, and all comments received from Metropolitan Council were presented to the City Council on or prior to the date of the public hearing described below; and

1.12 On August 20, 2025, in accordance with the requirements of Section 147(f) of the Code and Section 462C.04, subdivision 2 of the Housing Act, the City Council held a public hearing at which a reasonable opportunity was provided for interested individuals to express their views, both orally and in writing, with respect to the Project, the Housing Program, and the proposed issuance of revenue obligations to provide financing for the Project; and

1.13 The public hearing was preceded by publication of a notice of public hearing published in the Saint Paul Pioneer Press, the official newspaper of the Issuer and a newspaper of general circulation in the jurisdiction of the Issuer, on August 9, 2025, at least ten (10) days prior to the public hearing; and

1.14 On August 20, 2025, the City Council adopted Resolution No. 2025-118 (the “Recycling Approval Resolution”), under the terms of which the Issuer (i) adopted the Housing Program; and (ii) approved an interim, taxable single advance term loan from Bridgewater Bank, a Minnesota banking association, in the principal amount not to exceed \$8,220,000 (the “Interim Loan”) and the issuance and delivery of the associated taxable note;

1.15 The Borrower has requested that the Issuer issue, sell, and deliver its Multifamily Housing Revenue Bonds (Hadley Ridge Apartments Project), Series 2025 (the “Bonds”), in one or more series or taxable or tax-exempt revenue obligations, in accordance with the terms and conditions of the Housing Act to finance the capital costs of the Project, in an original aggregate principal amount not to exceed \$50,000,000; and

1.16 The Issuer will issue the Bonds in accordance with the terms of a Trust Indenture, dated as of December 1, 2025 (the “Indenture”), between the Issuer and U.S. Bank Trust Company, National Association, in its capacity as trustee (the “Trustee”); and

1.17 The Original Purchaser (as defined in the Indenture) will purchase the Bonds from the Issuer pursuant to a Bond Purchase Agreement dated on or after the date of this resolution (the “Bond Purchase Agreement”), and the Issuer will apply the proceeds derived from the sale of the Bonds to fund a loan to the Borrower (the “Loan”), pursuant to the terms of a Loan Agreement, dated as of December 1, 2025 (the “Loan Agreement”), between the Issuer and the Borrower; and

1.18 The principal and interest on the Loan will be paid from loan repayments to be made by the Borrower under the terms of the Loan Agreement or other security documents described therein, and as security for the repayment of principal of and interest on the Bonds, the Issuer will assign, and grant a security interest in, its right, title and interest in the Loan Agreement, except for certain reserved rights, to the Trustee; and

1.19 The Loan will be secured by a mortgage lien on the Borrower's interest in the land and the Project, an assignment of rents and revenues derived from the Project, and a guaranty of construction completion and payment; and

1.20 One or more series of the Bonds proposed to be issued as "exempt facility bonds," the interest on which is not includable in gross income for federal income tax purposes under Sections 103 and 141(e)(1)(A) of the Code; and

1.21 To ensure compliance with certain rental and occupancy restrictions imposed by the Housing Act and Section 142(d) of the Code, the Project will be subject to a Regulatory Agreement (the "Regulatory Agreement"), dated as of December 1, 2025, among the Issuer, the Trustee, and the Borrower; and

1.22 The Bonds will be issued pursuant to this resolution, and the Bonds and the interest on the Bonds: (i) shall be payable solely from the revenues pledged therefor under the Indenture, the Loan Agreement, or other security documents described therein; (ii) shall not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation; (iii) shall not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Issuer other than the Issuer's interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the Issuer.

Section 2. Preliminary Findings. Based on representations made by the Borrower to the Issuer to date, the City Council hereby makes the following preliminary findings, determinations, and declarations:

2.01 The issuance of the Bonds to finance the Project in accordance with the Housing Program is authorized by the Housing Act and is consistent with the purposes of the Housing Act and that the issuance of the Bonds, and the other actions of the Issuer under the Indenture, the Loan Agreement, the Regulatory Agreement, the Bond Purchase Agreement, and this resolution constitute a public purpose and are in the interests of the Issuer.

2.02 The Project constitutes a "qualified residential rental project" within the meaning of Section 142(d) of the Code and a "multifamily housing development" authorized by the Housing Act and furthers the purposes of the Housing Act.

2.03 In authorizing the issuance of the Bonds for the financing of the Project and the related costs, the Issuer's purpose is and the effect thereof will be to promote the public welfare of the Issuer and its residents by providing an affordable multifamily housing development for low or moderate-income residents of the City of Cottage Grove and otherwise furthering the purposes and policies of the Housing Act.

Section 3. The Bonds. For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Bonds in one or more series in the maximum aggregate principal amount not to exceed \$50,000,000.

3.01 The Bonds shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be in the aggregate principal amount, shall be subject to redemption prior to maturity, shall be in such forms, and shall have such other terms, details, and provisions as are prescribed in the Indenture.

3.02 The Issuer hereby authorizes one or more series of the Bonds to be issued as “tax-exempt bonds,” the interest on which is excludable from gross income for federal income tax purposes and net taxable income of individuals, trusts, and estates for State of Minnesota income tax purposes, provided that the principal amount of the tax-exempt series shall not exceed \$38,470,000.

3.03 The Bonds shall be special, limited revenue obligations of the Issuer, the proceeds of which shall be disbursed pursuant to the terms of the Indenture and the Loan Agreement, and the principal, premium, and interest on the Bonds shall be payable solely from the revenues provided by the Borrower pursuant to the Loan Agreement and other funds pledged pursuant to the Indenture; the Issuer does not pledge its general credit or taxing powers or any funds of the Issuer to the payment of the Bonds.

3.04 The Bonds shall be substantially in the forms on file with the Issuer, which forms are hereby approved, with necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturity of the Bonds, the interest rate on the Bonds, and the terms of redemption of the Bonds) as are approved as evidenced by the execution thereof as provided herein.

3.05 All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

Section 4. The Bond Purchase Agreement. The Bonds shall be sold to the Original Purchaser (as defined in the Indenture) under the terms and conditions of the Indenture and the Bond Purchase Agreement. The Indenture and the Bond Purchase Agreement shall each provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the owner of the Bonds, the Issuer, and the Trustee as set forth therein. All of the provisions of the Indenture and of the Bond Purchase Agreement, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

Section 5. The Loan Agreement. The proceeds derived from the sale of the Bonds shall be loaned to the Borrower in accordance with the terms and conditions of the Loan Agreement.

5.01 The Loan Agreement shall provide the terms and conditions, covenants, rights, obligations, duties, and agreements of the Issuer and the Borrower as set forth therein. All of the

provisions of the Loan Agreement, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

5.02 The Borrower shall apply the proceeds of the Loan made pursuant to the Loan Agreement to the payment of a portion of the capital costs of the Project and related costs. The loan repayments to be made by the Borrower under the Loan Agreement are to be fixed so as to produce revenues sufficient to pay the principal of, premium, if any, and interest on the Bonds when due.

Section 6. Financing Documents. The Mayor and the City Administrator, or in their absence any member of the City Council, (collectively, the “Issuer Officials”) are hereby authorized and directed to execute, by manual or facsimile signature, and deliver the Bonds, the Loan Agreement, the Indenture, the Regulatory Agreement, the Bond Purchase Agreement, and any consents, assignments, subordinations, and such other documents as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including without limitation, various certificates of the Issuer, the Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, an endorsement to the tax certificate of the Borrower, disbursing agreements with respect to proceeds of the Bonds, and similar documents (collectively, the “Financing Documents”). In the event that an officer whose signature appears on one or more Financing Documents shall cease to be such officer before the delivery of such Financing Documents, the Financing Documents shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. All of the provisions of the Financing Documents, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. Certain of the Financing Documents, including the Bonds, the Indenture, the Loan Agreement, the Bond Purchase Agreement, and the Regulatory Agreement shall be substantially in the forms now on file with the Issuer, which are hereby approved, with such necessary and appropriate variations, omissions, and insertions as are approved by Taft Stettinius & Hollister LLP, acting as bond counsel (“Bond Counsel”), as do not materially adversely change the substance thereof with respect to the Issuer, and as the Issuer Officials, in their discretion, shall determine, and the execution thereof by the Issuer Officials shall be conclusive evidence of such determinations.

Section 7. Bond Counsel. The Issuer hereby authorizes Bond Counsel to prepare, execute, and deliver its approving legal opinions with respect to the Bonds.

Section 8. Offering Memorandum. The Issuer has not participated in the preparation of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum relating to the offer and sale of the Bonds (together, the “Offering Memorandum”) and has made no independent investigation with respect to the information contained therein, including the appendices thereto, and the Issuer assumes no responsibility for the sufficiency, accuracy, or completeness of such information. Subject to the foregoing, the Issuer hereby consents to the distribution and use by the Original Purchaser of the Offering Memorandum in connection with the offer and sale of the Bonds. The Offering Memorandum is the sole material consented to by the Issuer for use in connection with the offer and sale of the Bonds.

Section 9. Limited Liability.

9.01 No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the Issuer or the County shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council, or any officer, agent, or employee of the Issuer in that person's individual capacity, and neither the City Council nor any officer, agent, or employee executing the Bonds or any such documents shall be personally liable on the Bonds or such documents or be subject to any personal liability or accountability by reason of the issuance thereof or the execution and delivery of such documents.

9.02 No provision, covenant or agreement contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the Issuer or the breach thereof, shall constitute or give rise to a general or moral obligation of the Issuer or any pecuniary liability of the Issuer or any charge upon its general credit or taxing powers.

9.03 In making the agreements, provisions, covenants, and representations set forth in such documents, the Issuer has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement which are to be applied to the payment of the Bonds, as provided therein.

9.04 Except as otherwise expressly provided herein, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Issuer and any holder of the Bonds issued under the provisions of this resolution, any right, remedy or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the Issuer and any holder from time to time of the Bonds issued under the provisions of this resolution.

Section 10. Severability. In case any one or more of the provisions of this resolution (other than the provisions limiting the liability of the Issuer, the Issuer Officials, or any officer, employee, or agent of the Issuer contained herein) or of the aforementioned documents, or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Bonds, but this resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained therein.

Section 11. Bonds Conclusive Evidence. The Bonds, when executed and delivered, shall contain a recital that such Bonds are issued pursuant to the Housing Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

Section 12. Performance Authorized.

12.01 Except as otherwise provided in this resolution, all rights, powers, and privileges conferred and duties and liabilities imposed upon the Issuer or the City Council by the provisions of this resolution or of the aforementioned documents shall be exercised or performed by the Issuer or by such members of the City Council, or such officers, board, body or agency thereof as may be required or authorized by law to exercise such powers and to perform such duties.

12.02 The officers of the Issuer, Issuer's counsel, Bond Counsel, other attorneys, and other agents or employees of the Issuer are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Bonds, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this resolution.

Section 13. Costs. The Borrower shall pay the administrative fee of the Issuer when due in accordance with the terms of the Loan Agreement. The Borrower will also pay, or, upon demand, reimburse the Issuer for payment of, any and all costs incurred by the Issuer in connection with the Project and the issuance of the Bonds, whether or not the Bonds are issued, including any costs for reasonable attorneys' fees.

Section 14. Indemnity. It is understood and agreed by the Borrower that the Borrower shall indemnify the Issuer against all liabilities, losses, damages, costs, and expenses (including attorney's fees and expenses incurred by the Issuer) arising with respect to the Project and the Bonds, as provided for and agreed to by and between the Borrower and the Issuer in the Loan Agreement.

Section 15. Prior Resolutions. The City Council hereby affirms its findings in the Original Preliminary Resolution, the Recycling Preliminary Resolution, and the Recycling Approval Resolution.

Section 16. Future Amendments or Consents. The authority to approve, execute and deliver future amendments to the Financing Documents entered into by the Issuer in connection with the issuance of the Bonds and consents required under the Financing Documents is hereby delegated to the Issuer Officials, subject to the following conditions: (a) such amendments or consents do not materially adversely affect the interests of the Issuer; (b) such amendments or consents do not contravene or violate any policy of the Issuer; (c) such amendments or consents do not require the consent of the holder(s) of the Bonds or such consent has been obtained; and (d) such amendments or consents are acceptable in form and substance to the Issuer's counsel and Bond Counsel. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Issuer Officials shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of any Issuer Official, any instrument authorized by this paragraph to be executed and delivered may be executed by the officer of the Issuer authorized to act in such Issuer Official's place and stead.

Section 17. Commitment Conditional. The adoption of this resolution does not constitute a guaranty or firm commitment that the Issuer will issued the Bonds as requested by the Borrower. The Issuer retains the right in its sole discretion to withdraw from participation and accordingly to not issue the Bonds, or issue the Bonds in an amount less than the amount referred to herein, should the Issuer at any time prior to the issuance thereof determine that it is in the best interest of the Issuer to not issue the Bonds, or to the issue the Bonds in an amount less than the amount referred to herein, or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the transaction.

Section 18. Effective Date. This resolution shall be in full force and effect from and after its approval.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember _____, and, after full discussion thereof and upon a vote being taken thereon, the following Councilmembers voted in favor thereof:

And the following voted against the same:

Whereupon said resolution was declared duly passed and adopted.

Myron Bailey, Mayor

ATTEST: _____
Tamara Anderson, City Clerk



City Council Action Request

14.A.

Meeting Date	11/19/2025
Department	Administration
Agenda Category	Action Item
Title	Performance Evaluation — Jennifer Levitt, City Administrator
Staff Recommendation	Close the meeting pursuant to MN Statute 13D.05 subd. (3)a to conduct a performance evaluation of City Administrator, Jennifer Levitt.
Budget Implication	N/A
Attachments	None