



January 13, 2026

COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY
12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MN 55016
COUNCIL CHAMBER - 7:30 AM

- 1 Call to Order
- 2 Pledge of Allegiance
- 3 Roll Call
- 4 Approval of Minutes
 - A **Approval of December 2, 2025 EDA Minutes**
Staff Recommendation: Approval of December 2, 2025 EDA minutes.
- 5 Business Items
 - A **Community Development Update**
Staff Recommendation: Receive the Community Development Update.
 - B **The Madison - Façade Improvement Program Application**
Staff Recommendation: Approval of Façade Improvement Grant request for The Madison.
 - C **Approval of 2026 Meeting Schedule**
Staff Recommendation: Approve EDA Meeting schedule for 2026.
 - D **Letter of Intent (LOI) with Tradehome Shoes**
Staff Recommendation: Approve Letter of Intent with Tradehome Shoes.
- 6 Public Hearings
- 7 Other Business
- 8 Workshop
- 9 Presentations
- 10 Adjournment



Economic Development Authority Action Request

4.A.

Meeting Date	1/13/2026		
Department	Economic Development		
Agenda Category	Action Item		
Title	Approval of December 2, 2025 EDA Minutes		
Staff Recommendation	Approval of December 2, 2025 EDA minutes.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>12-02-2025 EDA Meeting Minutes</td></tr></table>	1.	12-02-2025 EDA Meeting Minutes
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COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
12800 Ravine Parkway South
Cottage Grove, MN 55016
COUNCIL CHAMBER - 6:00 P.M.

December 2, 2025

1. CALL TO ORDER

The Cottage Grove Economic Development Authority (EDA) meeting was called to order at 6:00 p.m. by EDA President Myron Bailey. He said Good Evening, everyone, and I say evening because normally our EDA meetings are in the morning, but we do have a special meeting this evening, on December 2, 2025.

2. PLEDGE OF ALLEGIANCE

EDA President Bailey asked everyone to please stand and join in reciting the Pledge of Allegiance.

3. ROLL CALL

Jaime Mann, Assistant to the City Administrator, called the roll:

EDA President Bailey-Here; EDA Vice President Olsen-Here; EDA Member Jean-Baptiste-Arrived after Roll Call; EDA Member Khambata-Here; EDA Member Latack-Here; EDA Member Scott-Here; EDA Member Tschida-Here.

Staff Present: Jennifer Levitt, City Administrator
Jaime Mann, Assistant to the City Administrator
Brenda Malinowski, Finance Director
Nate Carlson, Economic Development Manager

Others Present: None.

4. APPROVAL OF MINUTES

A. *Staff Recommendation: Approve the November 19, 2025 Economic Development Authority Meeting Minutes.*

EDA Member Tschida made a motion to approve the November 19, 2025 Economic Development Authority Meeting Minutes; second by EDA Member Khambata. Motion carried: 6-to-0.

EDA President Bailey said a person who needs to be here to go over some of the financial information with regards to Item 5, the TIF Decertification, Stacie from Ehlers, is stuck in traffic; so, we'll go ahead and move to Item 6, which is two Public Hearings. We'll start with those first.

EDA President Bailey said also, if the record will show EDA Member Jean-Baptiste is now with us.

5. BUSINESS ITEMS

A. Fourth Amendment to the Contract for Private Development and TIF 1-20 Decertification

EDA President Bailey said Stacie, from Ehlers, is back and will speak on this.

Stacie said thank you, President and Commissioners. So, I'm going to do a little history, right? Because a few of you were here when this was done, but not everybody that's sitting on the Board today was around when this project came together.

So, back in 2021, you created TIF District 1-20 for NorthPoint Industrial, which is an Economic Development District. Those Economic Development Districts have a nine-year term, and it's all about creating jobs, buildings and jobs is what's allowable in those types of Districts and for assistance. You entered into a Tax Increment Financing Agreement with NorthPoint Industrial, essentially to provide them a pay-as-you-go Tax Increment Financing Note for \$12.1 million; and that was really to take care of all of the construction of all the roads, the roundabouts, the utilities, and everything to service that 236-acre site, which you see is the site located on the map that's up here.

They have come back now and we've had three Amendments to date, so we'll talk a little bit about those. So, they came back for the First Amendment, which was after they had completed all the construction, and they had proved up their qualified costs; so, they spent approximately \$11.8 million to put in all those improvements that you had requested of them. Then, in addition to that, they had constructed their first Phase of buildings, which is about 775,000 square-feet of the planned 3.4 million square-feet of industrial buildings, but their timelines were getting pushed out for the future Phases, Phases 2 through 4; and that was really

indicative of what was happening in the metro and basically over the State of Minnesota. So, that's when we started to see interest rates were rising, right? Inflation was high, costs for construction were higher, so things were not getting constructed as anticipated. So, between the First, Second, and Third Amendment to that agreement, it was all about pushing out the dates for commencement and completion of those future projects.

So, when they came in on that First Amendment, when we were going to issue the Tax Increment note, we reduced that from the \$12 million that we had originally said we'd provide for the \$11.8 million in improvements that they had put in, down to \$7.166 million. The reason for that is because we updated the projections; so, your timing is sliding, so we're going to see what it's going to generate over those eight years now, and that's where it was reduced, and that's what we issued the Note on.

In 2024 and in the first half of 2025, we did make payments on the Note, so, they've received about \$1 million in Tax Increment payments to date. In addition to that, they've created the first Phase of development, and they've created 77 jobs in accordance with the Agreement that we had. For those who are newer to this, your Business Subsidy Policy says that you have to create at least one job at 200% of the State minimum wage. So, actually all 77 of their jobs are all at and above those creation levels that they have.

Earlier this year, in discussions with staff, it became pretty clear that they weren't going to move forward to finalize out the full Industrial Park. They've been talking with some different end users about selling that land for other future development in that site, and so then we agreed that we need to do a Fourth Amendment to that TIF Agreement, and we need to part ways at the end of the day.

So, the Fourth Amendment that is before you today would be acknowledging the fact of what they have constructed to date, so they constructed all the improvements that they said that they would as far as the public improvements. They constructed the first phase, and they created the jobs that they're required to in that first phase. Because of that, what they've been paid to date for the \$1 million is all that they'll get, and we're going to terminate the TIF Note as well.

So, the action before you tonight is to terminate not only the TIF Agreement but the TIF Note as well. And what corresponds with that is what the State law says on Tax Increment Districts: If you don't have an outstanding obligation in a District, you have to decertify it. We just can't keep it open and keep collecting that increment, okay? So, because you're terminating the TIF Note, we will go into the County to decertify that District, so that value that's in that District today will be there and captured for 2026, and you'll get the taxes that are coming into your benefit. So, that's part of your whole plan that you have with your budget for 2026 that's coming forward.

Stacie said so, with that, President, I will be happy to stand for any questions.

EDA President Bailey said okay, Stacie, and thank you for explaining that. Are there any questions at this point? Many of you were here for the different amendments.

EDA Member Khambata asked can you briefly explain how the difference in the amount of money that's been collected on the TIF vs. the amount of money that was spent on the improvements gets reconciled when one of these TIF Districts is dissolved or decertified?

Stacie replied I'm not sure if I understand your question.

EDA Member Khambata replied so, they said they spent about \$12 million constructing this? Do they have recourse to come back for the other \$11 million if we decertify?

Stacie replied President, Commissioner, no, that's what the termination is all about. So, essentially, you invested \$1 million to get \$11.8 million in infrastructure that's going to service that entire area and some of the surrounding area as well. So, there's no recourse for them to come back and ask for more.

EDA Khambata said okay.

EDA President Bailey thanked Stacie for the update.

Recommendation:

By Motion: 1) Approve the Fourth Amendment to the Amended and Restated Contract for Private Development By and Between Cottage Grove Economic Development Authority and NP BGO Cottage Grove Logistics Park, LLC, subject to minor modifications by the City Attorney. 2) Approve Resolution 2025-003 Terminating Amended and Restated Contract for Private Development and Tax Increment Financing Note for NorthPoint Project in TIF District No. 1-20. 3) Approve Resolution 2025-004 Requesting Decertification of Tax Increment Financing District No. 1-20 (NorthPoint Industrial).

EDA Member Khambata made a motion to Approve the Fourth Amendment to the Amended and Restated Contract for Private Development By and Between Cottage Grove Economic Development Authority and NP BGO Cottage Grove Logistics Park, LLC, subject to minor modifications by the City Attorney; second by EDA Member Tschida. Motion carried: 7-0.

EDA Member Jean-Baptiste made a motion to Approve Resolution 2025-003 Terminating Amended and Restated Contract for Private Development and Tax Increment Financing Note for NorthPoint Project in TIF District No. 1-20; second by EDA Member Khambata. Motion carried: 7-0.

EDA Member Tschida made a motion to Approve Resolution 2025-004 Requesting Decertification of Tax Increment Financing District No. 1-20 (NorthPoint Industrial); second by EDA Member Scott. Motion carried: 7-0.

6. PUBLIC HEARINGS

A. 2026 HRA Levy Public Hearing

EDA President Bailey said Brenda Malinowski, our Finance Director, will take us through this, welcome.

Director Malinowski said Good Evening, EDA President and Members of the EDA, before you hold your Public Hearing regarding the HRA Levy for 2026, I have a short presentation.

As a reminder, when the City established the EDA, they afforded the EDA both HRA and EDA powers in the bylaws. So, that is why I am in front of you this evening because you established that HRA Levy component. As a reminder, the EDA Levy is used for those traditional Economic Development type activities that we do in the City, specifically regarding the Business Park and helping businesses. The HRA Levy, on the other hand, it can be used for housing, any development, for low-to-moderate income families.

In 2025, we established the HRA Levy for the first time here in Cottage Grove. The reason we did that, the activities that we were doing regarding that housing development for those low-to-moderate income families, we had been doing in the past, but we felt it was more transparent to do a separate levy so that our property taxpayers, whether its our businesses or our residents, that they can see how much they're paying for those activities. So, that's why we did that in 2025. We simply took the EDA Levy from 2024 and we took 50% of it and we called it the EDA Levy and 50% of it we called the HRA Levy. We also moved 50% of the salaries from the EDA Fund over to the HRA Fund to recognize those activities that already been happening in the City that we would continue to do.

HRA Levy - Allowable Uses

Here are the Allowable Uses for the HRA, and specifically to remedy that shortage of housing for low-and-moderate income residents and to redevelop blighted areas:

- To provide a sufficient supply of adequate, safe, and sanitary dwellings to protect the health, safety, morals, and welfare of the citizens
- To clear and redevelop blighted areas
- To perform those duties according to the Comprehensive Plans
- To remedy the shortage of housing for low-and-moderate income residents, and to redevelop blighted areas, in situations in which private enterprise would not act without government participation or subsidies.

The State sets the maximum levy that we can set at the City for HRA activities or the HRA Levy: It's .0185% of our market value. So, for 2026, that's \$1.25 million dollars. In 2025, the HRA Levy was \$137,500; for 2026, we're proposing to increase it by \$5,000, up to \$142,500, which is the same amount that you set in June for that Preliminary Property Tax Levy for the HRA.

The 2026 Budget appears on the screen, and it is showing the 2025 Budget and 2026 for comparison. Just as a reminder, we had moved those salary and benefits from the EDA Fund; we had first established it in 2025, so that is shown on here, and we're proposing to do a modest increase of \$5,000 to the HRA Levy, just over a 3% increase, 3.6% from 2025.

Because we have growth in the community, the Median Home in Cottage Grove will see about \$1 decrease on the HRA Levy, and that is because of the new construction in the community. The thing that I really thought about in the last month, as we didn't have an EDA Manager, who would typically do some of these Affordable Housing type of activities, we had two projects coming in at the same time: We had Rohrs, with the Affordable Housing, and we had Real Estate Equities. And, so, we had City staff time, whether it was the Community Development Director or the Finance Director or Administration or the Planners, working with those developers to get those well-qualified Affordable projects across the finish line. So, this really came into fruition for me to realize that those activities that we had been doing in the past, by having this HRA Levy, that we're really recognizing what we're doing in the community.

We are not the only community in the metro that is establishing that HRA Levy, so on your screen and in your packet were the other metro communities that established those HRA Levies in the past and are proposing to do that for 2026.

Director Malinowski said with that, the Recommendations are on the screen, and I'm happy to stand for any questions.

Recommendation:

By Motion: Approve Resolution 2025-002, setting an HRA Levy on taxable property of the City of Cottage Grove, Washington County, Minnesota, for fiscal year 2026, a Special Benefit tax levy, not to exceed \$142,500 per the proposed 2026 Budget on file with the City.

EDA President Bailey said okay, thank you, Brenda. I have two real quick questions, if you would. I know you mentioned it was \$5,000 for the salary and benefits, and you said that's about 3%, is that correct?

Director Malinowski replied the Levy went up about 3.6%, and salaries went up about the same.

EDA President Bailey said yeah, and didn't we do, and maybe I'm not sure if it's you or whoever, but isn't our COLA for this year 3%?

Director Malinowski replied it is a 3% COLA and a 3% market rate.

EDA President Bailey said right, so, it's actually more. I just wanted to put the connection of the 3% in there, that that was there.

EDA Vice President Olsen said Brenda, thanks for the explanation here. I like the fact that you mentioned at the outset, you know, the attempt to be more transparent in terms of where these funds will be designated and what they can be used for, which is important. I always want to mention when we talk about anything related to the EDA, that we have two separate EDA Funds, one of which is funded through the Levy, and another one that is funded differently. I wondered if you might take a moment and just revisit that to ensure that anybody watching at home, who may have any questions, has a clear understanding of the way that that financing works from the EDA side. And then when you mentioned splitting the number between EDA and HRA, which fund are we talking about?

Director Malinowski replied okay, yep, great question, EDA Vice President Olsen. So, yes, there are really three funds, and so anybody's that's worked in government, elected government, we like to have lots of funds because we like to segregate an account for our taxpayers. We want to be transparent on how we're utilizing our fund; our General Fund is our chief operating budget for the City, it pays for police, fire services, snowplowing, all those sorts of activities.

But when we talk about EDA, we have the EDA Special Revenue Fund, which has that EDA Levy component, and that is more of those operating activities, it funds our EDA Manager and some of those yearly operating activities. The HRA Fund, also a Special Revenue Fund, is funded now with this HRA Levy, is still accounting for that EDA Manager and staff, and those sorts of HRA activities. And then, specifically, the ED Trust Fund, that is a Capital Project Fund, it is funded with a donation that we receive at the City for a taxpayer that we helped get legislation through many, many years ago, and so they give the City that donation, and we utilize it for projects; most recently, we had used it to help in the South District to do some utility work, we had some money in that fund to fund those street projects in that area. Now, as those parcels develop in that South District, those Special Assessments that we levied are replenishing that ED Trust Fund.

EDA Vice President Olsen said perfect. So, just to be clear, we've got an EDA and an HRA Levy, and our Economic Development team has the opportunity to essentially use those funds for very specific purposes that are statutory in terms of the direction that we can go. And then we also have an EDA Trust Fund that is funded through a business donation that the City receives every year, and that's not taxpayer money, and those funds can be used for kind of a wider array of events; whether we need to help support a development that's trying to come online, or I know sometimes we do Façade Improvement grants out of that fund for local businesses that are trying to improve the way that the business looks. I know when we go to our ICSC events each year, that's also funded through that ED Trust, so that has no bearing whatsoever on our taxpayer or the tax levy that we certify each year. Is that correct?

Director Malinowski replied that is correct, and I just want to make one clarification: The Façade Improvement we do fund that out of the EDA Special Revenue Fund; however, we are doing a transfer from the ED Trust Fund over to the EDA Special Revenue Fund, and so part of that transfer that occurs funds those Façade Improvements.

EDA Vice President Olsen said so, net-net, it's a zero impact? Director Malinowski replied to the taxpayer, yes. EDA Vice President Olsen said perfect, that's what I needed. Thank you.

EDA Member Latack said thanks for your presentation. So, one question I have is it looks like the burden on the taxpayer will actually go down a little bit because of the development of other buildings, correct, and other residents?

Director Malinowski replied the new construction, and so, when we look at the Property Tax Levy and the impact, we look at the existing properties, so our individual properties went up about 3% in the community, and then new construction; and, so, that new construction in the community also went up 3%, and because of that new construction, the median home will see a decrease in 2026 regarding the HRA Levy. EDA Member Latack said good, thank you.

EDA President Bailey opened the Public Hearing. He asked if there was anybody in the audience that would like to speak on the HRA Levy for Fiscal Year 2026. No one spoke. EDA President Bailey closed the Public Hearing.

EDA Member Khambata made a motion to Approve Resolution 2025-002, setting an HRA Levy on taxable property of the City of Cottage Grove, Washington County, Minnesota, for fiscal year 2026, a Special Benefit tax levy, not to exceed \$142,500 per the proposed 2026 Budget on file with the City; second by EDA Vice President Olsen. Motion carried: 6-1 (Nay vote by EDA Member Tschida).

B. Cedarhurst Event Center - Financial Assistance Request

EDA President Bailey said our City Administrator, Jennifer Levitt, is here, and then I do believe Stacie is now here.

Administrator Levitt said thank you, EDA President and Members of the EDA. Tonight, we're here to talk about the Cedarhurst Event Center. Just to give you a little bit of timeline, because I know some of you may be wondering how things change; so, I'm going to give you a little timeline of how we got here this evening.

So, just a reminder, 360 Real Estate purchased the property that is located at 70th and 19, which included the mansion and the gardener's cottage. At that time, they had proposed a Mixed Use development. If you will recall, they had a high-density product that sat on one part of the parcel, they had a row of townhomes behind it, abutting the single-family residential, and then they had a Mixed Use product sitting parallel to 70th Street. So, a lot of density, and at that time, we did have our historic consultant review the proposal and felt that the density was actually too great and detracted from the actual character of the mansion. Because one of the characteristics that was making it on the National Registry was actually related to the lawn and the activities that took place there, and so they were not adhering to the character. And, so, since that time, the mansion essentially has sat vacant.

And then Bellagala, who we heard from earlier this year, was interested in moving that property forward. So, in August, you'll recall, as the EDA you approved a Business Subsidy for \$100,000 as a forgivable loan to offset the project cost. You'll recall they had what we envisioned as the really most appropriate Historic Preservation project, right? It was keeping the mansion intact, it was providing a usable space and event center. And some of you know that we have a Convention and Visitors Bureau and so, it really fed into our Strategic Plan and Vision and kept the integrity of the mansion, so, it was a proposal we were very excited about.

Unfortunately, in October, some of Bellagala's investor profile kind of changed, and it caused the project to go into a little bit of limbo, and we didn't want Bellagala to walk away because we felt that their product really was what our community wanted and also it preserved this really unique historical feature we had in our community. So, at that time, Bellagala requested a \$2 million loan from the EDA, with \$600,000 forgivable. And, so, I will eventually turn it over to Stacie from Ehlers to talk more about the loan and how all that will work, but I also have to remind you, then, as part of tonight's action, you would actually be rescinding that approval of that first request for the \$100,000, so that will go away.

So, in essence, all of this will enable us to preserve the mansion, keep the historical integrity, and all of the improvements that we had originally viewed would still be able to go forward. And, so, with that, I'm going to turn it over to Stacie with Ehlers, and she can talk a little bit about the loan and the financing of it.

Stacie said thank you, President, Commissioners, it's nice to see you, and thank you for accommodating the switch around on the schedule, I appreciate that.

As Jennifer had stated, before you tonight is the consideration of a \$2 million loan to Bellagala to bring Cedarhurst back to its natural, original state. Before I go into the details of that, I just have to say, you know, you guys know this project well in your community, who knows it well, and when we talk amongst ourselves, back at the office or with other people, and they hear about this, about Cedarhurst, it's like everyone's like, oh, my gosh, they have a lot of love and passion for it as well. So, people are excited that potentially its going to come back to its original and be open for events and everything as well.

Essentially, what we are providing is a \$2 million loan to them, and it is an eight-year loan. So, the first year is going to be no payments; so, that's giving them that first year to get in, get the venue up and running, and cash flowing, so it gives them a little bit of a buffer, right, so, they have the opportunity to pay in the future. Then in the second through the eighth year, they will be paying principal and interest on the \$1.4 million portion of the loan, and then the \$600,000 portion that's forgivable, that will be interest-only payments that they will be making on that as well. So, at the end of the day, when we look at what's really repaid on that loan, because it's at a 5% interest rate, is essentially your \$2 million loan that you're making, of which you are forgiving \$600,000; you're basically going to get your principal back, right? Because that \$600,000 is pretty much coming back in interest back to you, so, it's about \$572,000.

Now, the thing I also want to note about this is that that note is forgiven at the end of year eight, that \$600,000, but if for whatever reason, if they are wildly successful, they have the ability to prepay on this note sooner. So, that amortization can move up. So, say if they knock it out of the park, it does a great job, and they want to pay it off in year six, they can; and then that \$600,000 would be forgiven at that point as well. So, those two are tied together, essentially.

The interest rate is where we're at right now with the statutory maximum that we have for Interfund Loan rates, it's a good market rate for them as well, it will help them actually move forward and get this project underway. And your protection is really that you have a mortgage on the property, you'll be second position to the bank, but at the end of the day, when you look at this, it's kind of one of those once in a lifetime opportunities that comes before you. So, your investment really is about bringing this back as a community asset that can be utilized, and because you are acting as a lender, there is risk, right? There is risk that the developer doesn't become successful, that they can't make a go of the project, and potentially, you may not get your original \$2 million repaid, or the \$1.4 million that you're anticipating getting paid. That's your risk profile, but we think that we have mitigated it; the only good thing is you have an event coordinator, a group that has experience, right? So, it's not somebody who's never done this before, they're not new to the business, they get it, and they actually understand it.

Stacie said so, with that, Mr. President, I will turn it back over to you to open the Public Hearing, because this is considered a Business Subsidy, which you did the hearing before, but since we have a higher amount, we are re-holding that as well, and I'll be happy to answer any questions.

EDA President Bailey said okay. First, are there any questions for her at this point?

EDA Member Jean-Baptiste said thank you for the presentation. So, one quick question is are we at all worried about their capital position? So, it seems like they would be at less than 5%, which seems a little bit low, given that you know it's close to a \$9 million project. Most of the time, if you're doing a multifamily, even if you're doing residential, owner-occupant, you can't a duplex for less than 5%; yet, these guys are doing a \$9 million project with less than 5% with the City having a 23% position. Are we concerned that they might be overleveraged at all?

Stacie replied EDA President, Commissioner, that's a great question. And, so, yeah, their equity investment is low, right? And that's one of the things that we noted, but that's what they have to bring to the table today. But, you know, they are also signing on a loan with the bank that they're going to have to be responsible for repayment of, as well as this loan. And at the end of the day, in your traditional projects that we would look at, we would probably have a different opinion on how to move this forward, but this is a really kind of a once in a lifetime, a special circumstance. So, at the end of the day, this is what helps get it over the hump, right, to get this project moving forward, to actually get the bank loan closed and get the project moving forward.

EDA Member Jean-Baptiste said all right. One more question, do they have any sort of prepayment penalty? So, I know in the file it had mentioned that we could potentially get very close to that \$2 million back, about \$1.9, but close to about, I think a little over a half million of that is in interest, and that's assuming that they pay for the full eight years. But to your point, if this project is wildly successful and they decide to pay off early, you know, is there a prepayment penalty that gets us at least close to that \$1.9 or are we going to be close to that \$1.4?

Stacie replied President, Commissioner, there is no prepayment penalty on the City's loan. EDA Member Jean-Baptiste said okay.

EDA President Bailey said what I might just mention out there, just for the group, what is interesting or unique about this, when you think about this loan, put aside Cedarhurst at this moment, is the bank that they're going through literally had a meeting with us to talk about the entire project. Which is, frankly, having a bank talk to you about a loan that they're going to give to a business, is like completely, I've never seen it in all the years I've been the mayor. So, that was kind of interesting to see that, and I don't think it's in here, but we did get to see some of their financials, if you will, on the other venues that they run around the Twin Cities. They've been extremely successful, they're very well respected and well known. And even what they're proposing on this site here, for what their cash flow is going to be, it's going to be based on what we saw, even if it's half, it's going to be wildly successful for them. So, which means it's going to be good for us, too.

And then the last thing I'll mention, and I agree, but my comment at the very beginning of all this is if we're going to give a \$2 million loan, and the interest rate's basically, you know, \$600,000 if you think about when it's all in, and we're going to give a \$600,000 loan, I know it's a little bit different. Before, this gets us somewhere, but I'm just going to say it, we were going to give them \$100,000, just off the cuff, right? That was what we had approved before, so in the grand scheme of things, we're going to be, we're good. Do you follow what I'm saying? I mean, originally, we were going to take \$100,000 and just give them \$100,000 to help with the project. In the end here, we're going to give them a loan, as long as we get the money back, which obviously there's risk in that, but we're going to, we're basically going to be whole and have a project with a higher taxable value and a venue that's going to be, you know, second to none in the East Metro. So, that's, there is risk, and I appreciate you bringing those risks up because, you

know, especially the equity piece of it, but between us and the bank, and talking with them as a vendor or whatever or an owner, I think we're going to be, personally, I believe we're going to be fine. Good questions, though.

EDA Member Tschida asked are we at all concerned about saturating the market on wedding venues here in Cottage Grove? I mean, we've got a couple other private ones, the City has River Oaks. I mean, I guess my concern with this is we're going to have this group that owns six-or-seven venues across the metro come in and push out a couple of the mom and pop, who are already here. I guess have we looked at the market here in town to see if we can, like I want to Cedarhurst restored and back to everything, I just, I don't want to lose a couple of our great businesses that are already here because of that. So, I guess, have we looked at that at all?

Administrator Levitt replied well, EDA Members, one thing that I might ask is JJ from Bellagala is here, and he could probably speak to the market conditions because, obviously, he's making a huge investment and his company is coming here to make a huge investment. And maybe I would just ask if he could maybe speak a little bit to that, if he could come up to the mic, and he could probably answer a little bit more of that question for you.

JJ said Good Evening, EDA Members, thank you. You know, our questions are on here. We have technically in Chaska three locations on 200 acres, and we call it cannibalism; like is this going to cannibalize a different venue? We haven't actually experienced that at all, specifically in those Chaska locations. We had multiple owners of Cottage Grove venues as well show up to our open house, shaking hands, hugging, sharing excitement and enthusiasm about us coming. One of the biggest reasons is that they're like hopefully, we can get a hotel if we can get this additional stuff, maybe what we can do is we can get a hotel across the finish line, because that is actually one of their biggest concerns from getting people to come to Cottage Grove. Because Stillwater is kind of the closest thing, and so, they were hopeful, they were excited, and they're pumped to have us here. So, you know, I don't think; you know, there's 20,000 people basically getting married every year in the State of Minnesota, and so, three venues, you know, in a similar community on the eastern suburbs, I don't think is going to be crazy competition. We each offer a different product, we each offer a different range of budgets and inclusions and everything else. So, I personally feel confident that, you know, the more, the merrier a little bit, and with three of them, I don't see that being a problem, personally.

EDA President Bailey said I think EDA Vice President Olsen had a question for you.

EDA Vice President Olsen said thanks for being here tonight. JJ said my pleasure, thanks. EDA Vice President Olsen said I know you've been here a few times, and it's great to see you. JJ said I don't need a GPS anymore, I can just get here now. EDA Vice President Olsen said right, and I'm very encouraged by the potential outcomes here. I did want to mention, from the Convention and Visitors Bureau perspective, as I am the Chair of that, we very much feel like this is an opportunity for the proverbial rising tide to float all boats; and what's neat is when you look at all of the various venues that are in the City that cater to that wedding and event sort of crowd, and that includes River Oaks, they all have unique elements that people are going to want to take advantage of. For example, River Oaks is a fantastic facility and I've been to dozens of weddings there and receptions, but they're limited with how many people they can host. They're not as large as say, The Madison. And then if The Madison is looking at kind of marketing themselves, the barn venue business, and please correct me if I'm wrong, but the barn venue business continues to grow very rapidly, it seems like that's the hot thing right now. So, I'm pretty confident they're going to be okay; they also do a lot of events, I was just there for their Winter Market on Saturday, and the place was packed, you could not get a parking spot. In fact, they had to make an announcement not to park on Lamar Avenue, otherwise, I think things were going to get out of hand. And then I know Hope Glen, and I know the owners of Hope Glen quite well, you know, they're niche is very unique as well, and they're the first ones to actually reach out and say, hey, can we help you get off the ground? We'd like to see you be successful because, there again, the idea is from a marketing perspective, based on CVB and their point of view, this is going to bring more people to the community, and I also have a very strong belief that it'll be the tipping point for us to get that hotel that everybody's been talking about. We've been working on that for several years, we've got several interested parties, you know it all comes down to do the investors have the money and want to take the risk in the current economy, as I'm sure you're well aware. But I have a very high degree of confidence that Bellagala's simply going to be an addition to the menu, its certainly not going to force anybody to have to go on a diet. I think it'll be really good for everybody and especially with some of the drawings and schematics that we've seen over time. You know, you present a great product, but it's a different product than the others. So, I think it's complementary in nature.

JJ said that was part of our plan, too. Like, we don't want to come into a town and serve the same menu item, to use your analogy. Like, we want to be unique and because there's a lot of cities and a lot of towns that have old historic buildings and that need additional venues, but the niche, the opportunity here was just, you know, once in a lifetime. I think you had said and that isn't just from a community standpoint, it's from a business standpoint for us, too.

EDA Vice President Olsen said right, and I know that your other venues have been extremely successful, and that is also very encouraging, obviously. So, thanks again for being here tonight and for addressing that issue for me. I appreciate it.

JJ replied of course.

EDA Member Khambata said so, I guess my questions were just kind of in line with what Jean-Baptiste had said, which was from a, like a leverage and liability standpoint, where do we stand in line with other creditors if the project doesn't go as planned? Are we going to have a lien against the building, or are we just taking on full liability that if this project doesn't come to fruition, we're going to absorb the cost of this? What other recourse do we have there?

And then my second question was in terms of like a contingency: If this \$2 million is the \$2 million that gets the project over the finish line, and as we found out during COVID, every RFP we had was coming back 5% or 10% higher than we had anticipated, what kind of contingency is built into that to make sure there's not going to be another ask down the road or not just an ask, but a genuine need for additional funding? And if so, what contingencies are in place to make sure that funding can get procured so the project gets done?

JJ replied yeah, maybe Ehlers can help support a little bit, but I'm happy to answer a part of question two, perhaps. The reason that the loan has been structured the way it has, to support the pro forma that we presented. It has given us confidence to know that this is going to be successful, that we are going to make this happen, that we are going to pay the bill, and create a very successful business. So, what tangible contingencies do you have? Again, maybe Ehlers can come on up here, and I'll stay close just in case.

Stacie said thank you, President and Commissioner, you're in second position, or last, because the bank is always going to have first position because they have the larger loan that's out there on this. So, at the end of the day, let's say the bank puts in their money, you put in your money, they put in their equity, and they do the construction. You get everything all rehabilitated and for whatever reason, it is not successful, right? So, again, you'll be in last position, basically, for any recourse on your loan, even though it does have a mortgage on it, it's going to be in second position. But, essentially, what you have at the end of the day is now you have a facility that's actually been fully renovated, right? So, its back up and its fully functioning. So, what's going to happen if the bank has to foreclose? Then they're going to sell, and there's probably going to be a secondary operator that comes in, that's going to get it, probably for a better price than what was invested in it, and then make it a go at that point in time. So, again, at the end of the day, you may not get your investment back, but you have invested dollars into a capital project that's actually going to be producing higher taxes, and then somebody else can step in and hopefully make that successful.

EDA President Bailey said and I don't think he wants to speak after that topic.

EDA Member Latack said I'm sure we ran some projections on the annual tax revenue projection for this, or has that been done at all?

Stacie replied President, Commissioner, I don't think we ran the tax revenue projections of that, but we're happy to do that, and staff can provide that information as to what the City's portion of the taxes would be.

EDA Member Latack replied okay, thank you.

EDA President Bailey said all right, sounds good.

EDA Member Jean-Baptiste said same thing along those lines, not just a cost-benefit analysis on the tax revenue, but also on the projected employment, to see, you know, essentially we're investing somewhat close to \$600K on that, how does that compare to a return, not just with the tax revenue but the jobs that it is supposed to create? How does that look over a course of eight years, so on and so forth?

Stacie replied President, Commissioner, I believe what you have is, if I recall, it's 35 fulltime employees and 40 parttime employees, generally, and that will ebb and flow as you have different events that come on site there. Is that approximately right?

JJ replied not the fulltime. So, fulltime is actually just a handful, and it depends, it's very seasonal is how our business operates, but we're running close to 50 potential parttime; that's line cooks, valet people, front of the house, etc. Dozens of servers and everything else, and then we would have three-or-four fulltime employees, whether it be general manager or venue director, executive chef, lead planner, and typically an additional fulltime person in there as well.

EDA Member Scott said so, Cedarhurst, of course, is historic buildings and how many of your other venues are historic buildings that have been renovated by you?

JJ replied so, The Van Dusen Mansion in Minneapolis is ours, also the Edward Anne Estate, technically is not legally historic, but it's a historic-style building, and then one of our newest venues, Le VENERE', is actually a Cass Gilbert build as well, which is part of the property here in Cottage Grove, and we just opened that one this last May, actually, too. So, half of the portfolio has got some history about it.

EDA President Bailey said all right, thank you for being here. JJ replied my pleasure.

EDA President Bailey said I do have one quick question for our staff, I don't know if it's for you. It's funny that earlier, when we were talking about the HRA Levy and that, we talked about the different funds that we have, the EDA, the EDA Trust, do you want to speak or does Brenda want to speak on where is this \$2 million coming from?

Director Malinowski replied yes, the \$2 million would be coming out of that ED Trust Fund that we talked about, and at the end of 2025, we're projecting that that has sufficient cash in there for that.

EDA President Bailey replied okay, and again, just for the clarity of the public, the EDA Trust Fund is non-taxpayer dollars.

Director Malinowski replied correct.

EDA President Bailey said okay, I just thought I'd throw that out there, just because I know people may be concerned that we're utilizing taxpayer dollars to do something.

EDA Member Tschida said I just want to follow up on the EDA Trust Fund, I guess I don't know a ton about it. So, obviously, there's sufficient funding to do this in there, but is there \$3 million in there, and we're doing \$2 million for this, or is there? He asked or is there a significant amount in there, and this is not, we're not going to feel any pain doing this?

Director Malinowski replied the cash balance at the end of the year, we're estimating that to be \$4.2 million before this loan.

EDA Member Tschida said okay, so about half?

Director Malinowski replied yep, and then there's about \$1.6 million coming in Special Deferred Assessments back into that fund; we talked about that South District Street and Utility Project that we had done, and so when those come in as part of these developments in that South District, we would add to that fund balance there, too.

EDA Member Tschida said okay, so, we'll still have some money to play around with as we go about our business. Director Malinowski replied we do. EDA Member Tschida said that's good to know, thank you.

EDA President Bailey said awesome.

EDA President Bailey opened the Public Hearing. No one spoke. EDA President Bailey closed the Public Hearing.

Recommendation:

By Motion: 1) Approve the Business Subsidy Agreement with Bellagala to provide a loan in the amount of \$2,000,000, subject to minor modifications by the City Attorney. 2) Approve the Loan Agreement with Bellagala in the amount of \$2,000,000, subject to minor modifications by the City Attorney.

EDA Member Khambata said I'd first like to compliment Commissioner Tschida on a very well-pointed question about the overall Fund Balance. I was going to ask that. EDA Member Tschida replied great minds think alike.

EDA Member Khambata made a motion to Approve the Business Subsidy Agreement with Bellagala to provide a loan in the amount of \$2,000,000, subject to minor modifications by the City Attorney; second by EDA Member Tschida. Motion carried: 6-1 (Nay vote by EDA Member Jean-Baptiste).

EDA Member Scott made a motion to Approve the Loan Agreement with Bellagala in the amount of \$2,000,000, subject to minor modifications by the City Attorney; second by Latack. Motion carried: 6-1 (Nay vote by EDA Member Jean-Baptiste).

EDA President Bailey said all right, good luck. He asked do you have a closing date yet, or no?

JJ replied I think January 2 is what we're shooting for. This was a big moment, so, we're working with 360, and they want to push it into next year, just from a tax purpose. So, I should know by the end of the week, theoretically.

EDA President Bailey said all right, sounds good. Thank you.

JJ said thank you all so much. EDA President Bailey said take care.

EDA Member Tschida said Mr. Chair, do we need to make a separate motion to rescind the previous loan? Or was that all wrapped into those two?

Administrator Levitt replied it was actually wrapped in the first Business Subsidy Agreement.

EDA President Bailey said oh, it was. Good call, Mr. Tschida.

7. OTHER BUSINESS

EDA President Bailey said we do have the Hometown Holiday Celebration Thursday of this week, so I'm looking forward to seeing you guys coming out here and enjoying your time, if you will, with family and friends.

8. WORKSHOP - None.

9. PRESENTATIONS - None.

10. ADJOURNMENT

**EDA Vice President Olsen made a motion to adjourn; second by EDA Member Khambata. Motion carried: 7-to-0.
The meeting was adjourned at 6:49 p.m.**

EDA President Bailey said Merry Christmas, everybody, by the way.

Respectfully submitted,

Jaime Mann
Assistant to the City Administrator

JM/jag



Economic Development Authority Action Request

5.A.

Meeting Date 1/13/2026

Department Economic Development

Agenda Category Presentation

Title **Community Development Update**

Staff Recommendation Receive the Community Development Update.

Budget Implication N/A

Attachments	1.	Federal Reserve Board Publication_Minneapolis_November 2025
	2.	Development Update 2026-01-13



Federal Reserve Bank of Minneapolis

Summary of Economic Activity

Overall economic activity in the Ninth District was flat since the previous report. Employment decreased slightly, and labor demand continued to soften. Prices increased moderately, and wage growth was modest to moderate. Manufacturing, commercial construction, and residential real estate activity increased. Residential construction, commercial real estate, energy, and agriculture were flat, while consumer spending decreased. Activity among minority- and women-owned business enterprises edged slightly lower on balance.

Labor Markets

Employment was down slightly since the last report. Surveys found that recent hiring demand continued to soften, and head counts dropped marginally. While normal seasonality played a role, contacts also noted recent or potential layoffs due to slower activity unrelated to cooler weather. A rising share of employers were not actively hiring, and more reported that some job openings would go unfilled. Retail firms expected subdued hiring for the holiday season, with one contact noting that “businesses will hire a bit, but perhaps less than the last few years.” A Minnesota mall contact reported that “far fewer” tenants needed additional holiday labor, and related head count would increase by about half the normal number. Hiring in construction has slowed, but more than one-third of firms reported that they were still seeking additional full-time labor despite softening overall activity. Employers noted modest improvements in labor availability, with exceptions among foreign-born labor. An apparent increase in layoff anecdotes has not translated into higher jobless claims; initial unemployment claims in October remained below year-ago levels.

Wage growth was modest to moderate. Recent surveys suggested that compensation growth was similar to the previous month but was appreciably slower than last year. This was particularly the case for starting wages for new employees. There was, however, a notable uptick in benefit costs, with employers reporting large increases in health-care premiums.

Prices

Prices increased moderately, a faster pace of growth than the previous report. In a monthly survey, 29 percent of District firms increased the prices they charged to customers in October from a

month earlier, and a similar share anticipated increasing their prices in the month ahead. Input price pressures were more pronounced. Business contacts continued to report increases in employee health-care premiums for the coming year. Meanwhile, a medical provider said insurance payments were not keeping pace with increased costs for medical supplies and labor. A brewery reported that aluminum can prices recently increased 18 percent. Retail fuel prices in District states were flat on balance since the last report.

Worker Experience

Workers across the region continued to experience a slowing labor market. The share of respondents to a quarterly District survey who reported being unemployed rose to four percent from three percent in the previous two quarters. Results also revealed that it may be taking longer for workers to find their next job. Confidence in job security dropped modestly, and the share of workers who said they were likely to stop working for reasons such as retirement and education dropped significantly from earlier in the year.

Consumer Spending

Consumer spending was lower. Retail contacts reported a decline in recent sales, and profits were even more negative. Contacts noted that higher-income customers were unconstrained, but “customers in the middle to lower end of the financial spectrum are tightening the belt,” said one contact. Retailers in rural areas also had to deal with the fact that many farmers were cutting spending due to low crop prices and trade tensions. Expectations for holiday spending were modestly positive. New vehicle sales remained healthy, with some demand getting pulled forward, one dealer said, by customers’ belief that “the price might go up and [they] want to avoid paying more.”

Construction and Real Estate

Construction activity edged up slightly across most of the region, but preliminary results from a District survey revealed ongoing downward pressure on the sector. Firms continued to work through backlogged projects and struggled to secure new ones. Increased competition for new projects and labor availability were the two top concerns among respondents. The real value of permits for new construction also rose slightly, with ongoing strong contributions from projects in Rochester, Minnesota.

Commercial real estate was flat. Industrial space saw increased speculative development but also an increase in subleasing. Other real estate sectors have seen comparatively little new construction come to market, which was keeping vacancy rates, leasing activity, and rents at healthy levels for retail and multifamily properties. Office markets continued to struggle with high vacancy rates,

and recent small improvements have stemmed mostly from transitions of office space to other uses. Residential real estate rose modestly. Closed home sales in October increased in a majority of markets compared with the same period last year; but a handful experienced slight declines.

Manufacturing

District manufacturing activity increased slightly on balance since the last report. Slightly more industry contacts reported increased orders than decreased orders in October from the previous month, but relatively few reported no change. An index of regional manufacturing conditions indicated that activity decreased in Minnesota and North Dakota in October from the previous month, while activity in South Dakota increased. Contacts continued to report that uncertainty about the economic outlook was causing hesitancy in purchases by customers. A producer of automotive inputs reported that sales remained strong but felt that their firm was the exception in that segment.

Agriculture, Energy, and Natural Resources

Agricultural conditions remained weak despite strong crop harvests in the District. Farm incomes in the third quarter fell from a year earlier for almost 80 percent of ag lenders, according to a recent survey; 70 percent reported that farm capital spending decreased. Contacts were hopeful but uncertain that a China trade deal might boost demand for bountiful soybean inventories. District oil and gas exploration activity was unchanged since the last report.

Minority- and Women-Owned Business Enterprises

Activity among minority- and women-owned business enterprises (MWBEs) edged slightly lower on balance. Employment and labor demand were mostly unchanged, and most adjustments made by businesses were due to seasonality. More than a third of contacts reported increases in input prices. A hospitality contact in Minnesota singled out coffee prices as “alarming.” Expectations for activity in the coming weeks were modestly lower.

For more information about District economic conditions visit: <https://www.minneapolisfed.org/region-and-community>.

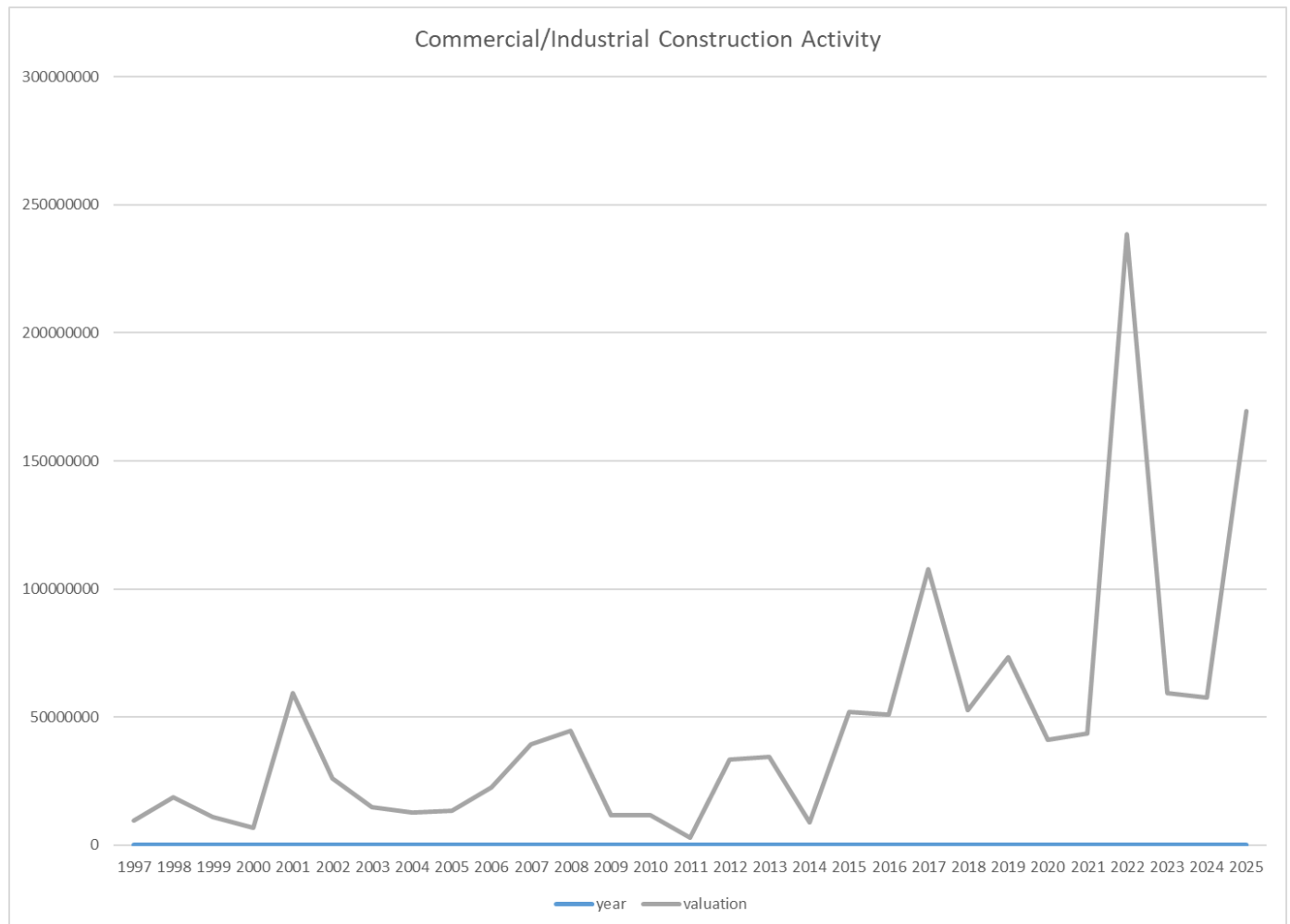


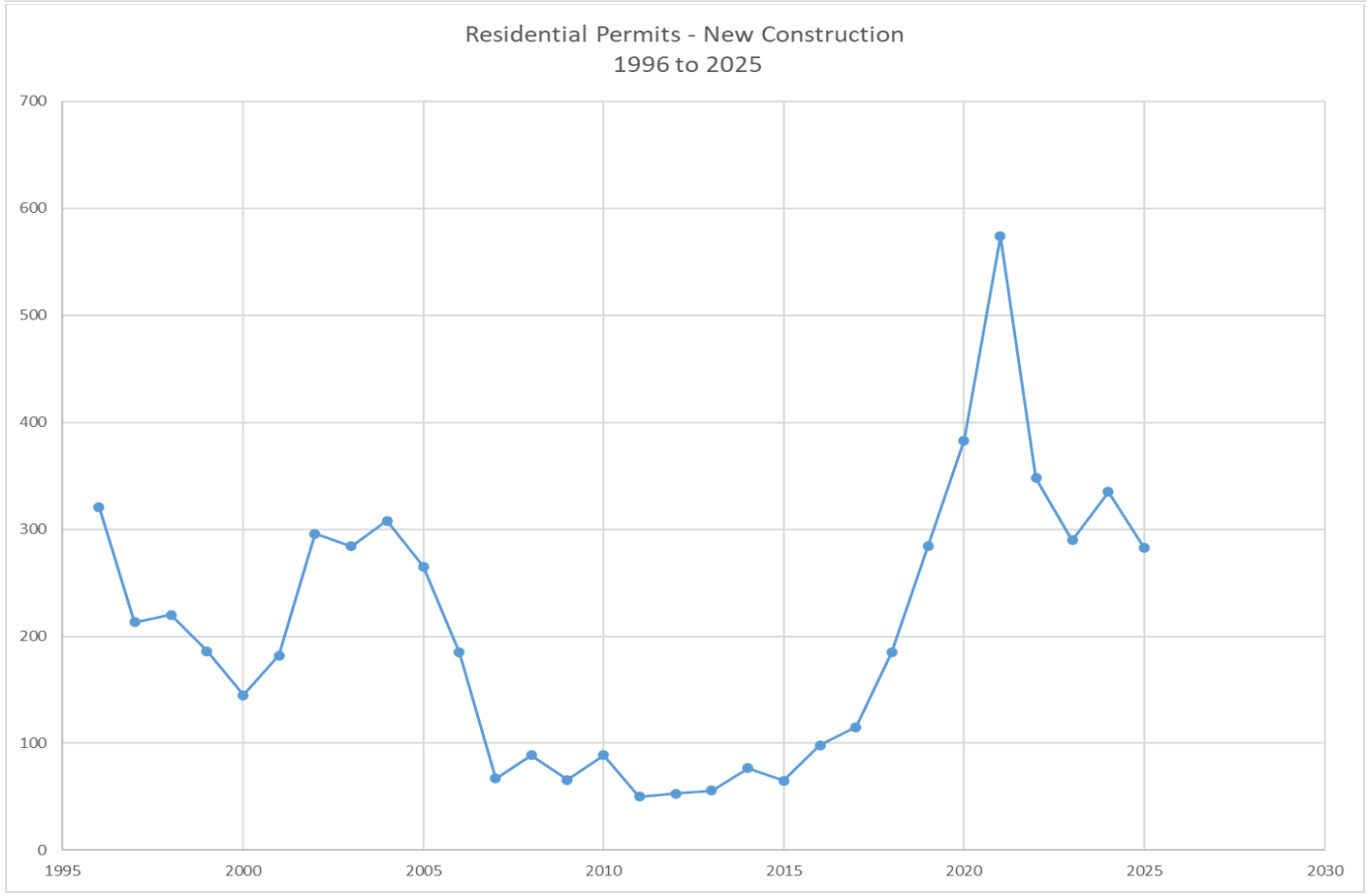
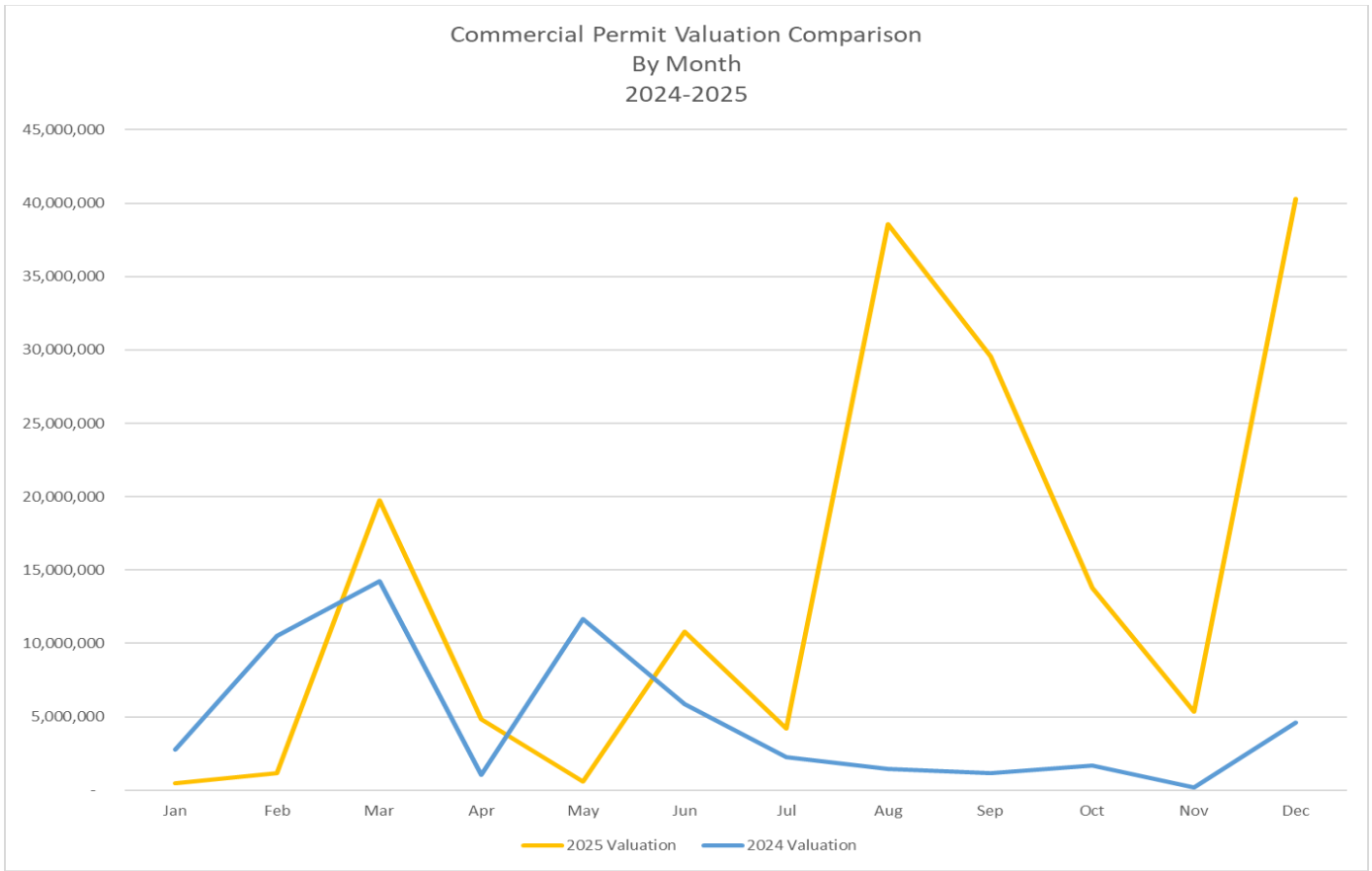
TO: Economic Development Authority
FROM: Emily Schmitz, Community Development Director
DATE: January 6, 2026
RE: Development Update

Building Permits

Building Permit Statistics:

Between December 1 and December 31, 2025, there were 285 building permits issued with a total valuation of \$44,917,297, including 10 single-family homes valued at \$3,471,702; 1 multi-family apartment building with 144 units valued at \$30,508,159; and 30 commercial permits with a valuation of \$9,783,920.

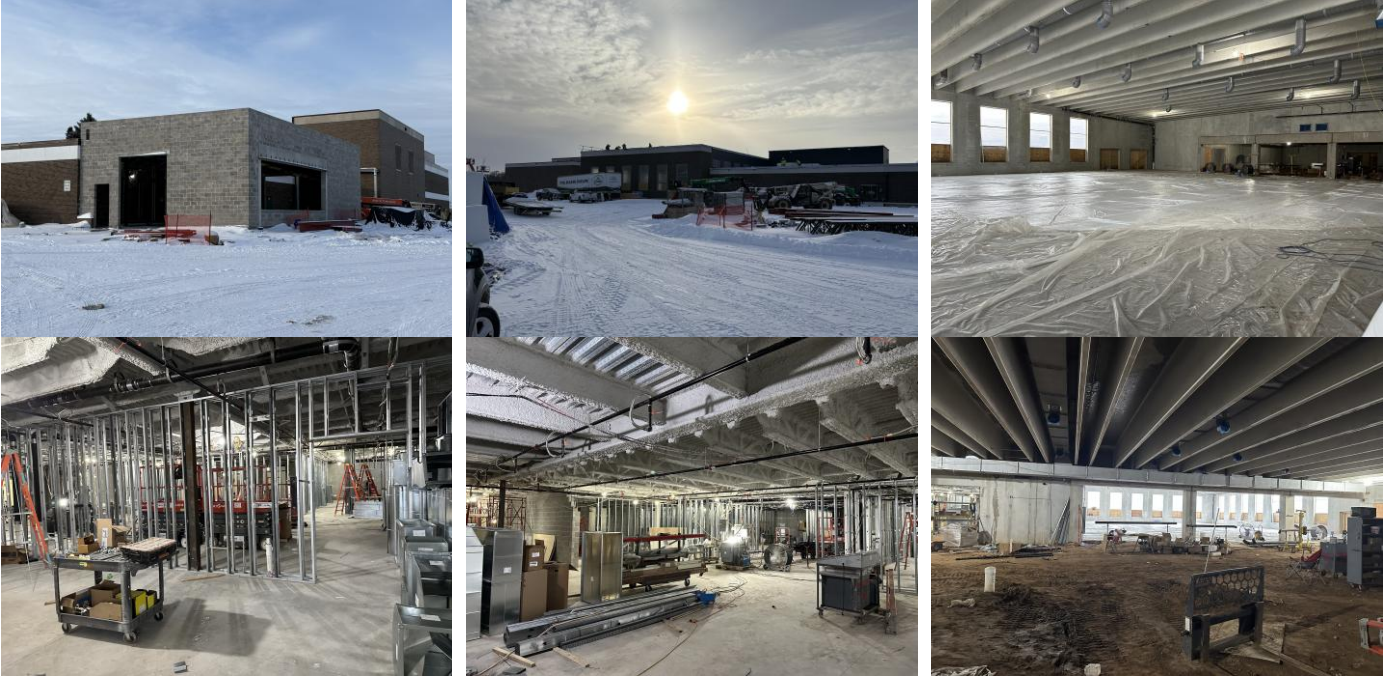




Current Project Updates

Building Construction Projects

Park High School (8040 80th Street): Framing and trade work continues in the new cafeteria and kitchen. Framing for the six offices in the existing cafeteria was done during the holiday break.



Cottage Grove Middle School (9775 Indian Boulevard): Interior wall framing in the new addition and waterproofing of the exterior walls have been approved. The exterior wall insulation and drywall are currently being installed. Concrete slab work and plumbing connections in the existing area of the school are being completed over the holiday break.



Oltman Middle School Addition (6625 Goodview Avenue): Work continues on the installation of the roof assemblies on both additions. Once complete, interior framing and trade work can begin in those areas.



SoWashCo Schools Transition Program Building (7000 Jamaica Avenue): Steel lintels for a new window opening in the existing building and waterproofing of the foundation have been completed. The exterior walls are installed, and the installation of the roof trusses is close to completion.



Hadley Ridge Apartments (10015 Hamlet Avenue): The building permit has been approved and is ready to issue.

Roers Cottage Grove Apartments (6850 East Point Douglas Road): The building permit was approved and issued for the 144-unit apartment building. The retaining wall and grading permits were also approved and issued. The excavator has started clearing the site.



Norris Square (6993 80th Street): Demolition of the subfloor has been completed for all phases of the project. Installation of carpet, tile, and trim work as well as finished work is continuing. Estimated completion of the project is February 2026.

Casa Mia Restaurant (7420 80th Street, #101): The Certificate of Occupancy has been issued. The restaurant opened on December 18.

Salon Fusion (7750 Harkness Avenue, #101): The Certificate of Occupancy has been issued, and the salon will open once the furnishings are moved from the previous tenant space.

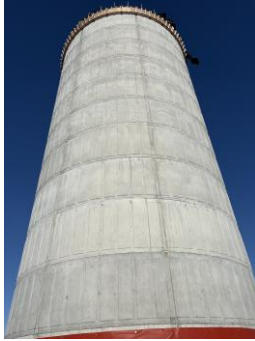
Cottage Grove Armory (8180 Belden Boulevard): Replacement of the roof and exterior remodel is underway.

Green Thumb Industries, 8235 97th Street): Installation of the HVAC ductwork and interior walls are underway. Above ceiling inspections have been completed in several of the grow rooms.

Intermediate Zone Water Treatment Plant (8540 81st Street): Installation of the underground plumbing, wall forms, and concrete for walls and slabs in multiple locations continues.



Cottage Grove Water Tower (7550 95th Street): All pedestal wall lifts, top ring beam, and dome slab are complete and ready for the steel tank. Welding on the steel tank continues.

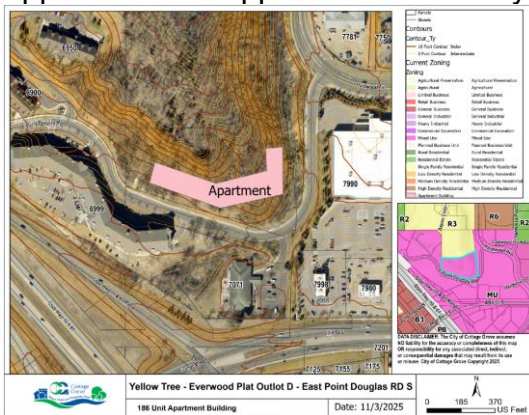


Planning Division

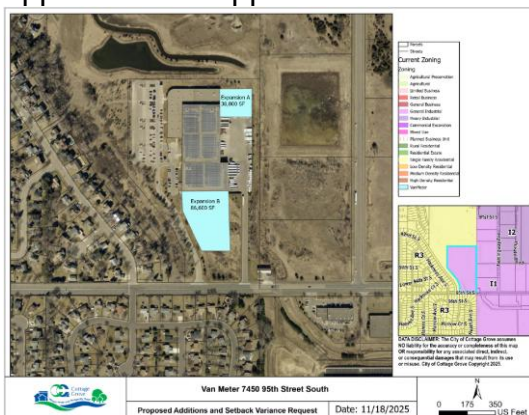
December 15, 2025, Planning Commission Meeting

The Planning Commission met on December 15, 2025, and reviewed the following applications:

Yellow Tree Multi-Family Building (PP/PUD/SP2025-030): Preliminary Plat for Everwood 6th Addition, a Planned Unit Development (PUD), and a Site Plan Review for a proposed 186-unit apartment building to be located north of East Point Douglas Road and west of Hardwood Avenue. (Continued from November 24, 2025, Planning Commission meeting.) No testimony was received during the public hearing. The Commissioners had questions and comments regarding the reason for the PUD and traffic concerns. On a 3-to-1 vote, the Planning Commission recommended approval of the applications. The City Council will take final action at their meeting on February 18.

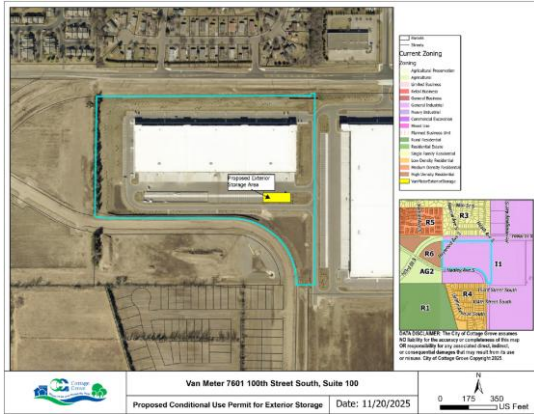


Van Meter Additions (SP/V2025-031): Van Meter Inc. has applied for a Site Plan Review and a Variance for two building additions to Van Meter's existing facility located at 7450 95th Street South. Expansion A, which will be approximately 38,220 square feet and will be used primarily for warehousing, is located at the northeast corner of the existing building. The variance for Expansion A is to the required setback to the north property line. Expansion B is located on the south end of the existing building and is approximately 86,720 square feet, which will be used primarily for receiving, warehousing, and will-call operations. There was no public testimony on this application during the public hearing. The Planning Commission unanimously (4-to-0 vote) recommended approval. This application will be on the January 21, 2026, City Council meeting agenda.



Van Meter Outdoor Storage (CUP2025-032): Van Meter, Inc. has applied for a Conditional Use Permit (CUP) to allow for the exterior storage of materials within a 10,000 square foot enclosed area at their Wire Center facility located at 7601 100th Street South, Suite 100. No public testimony

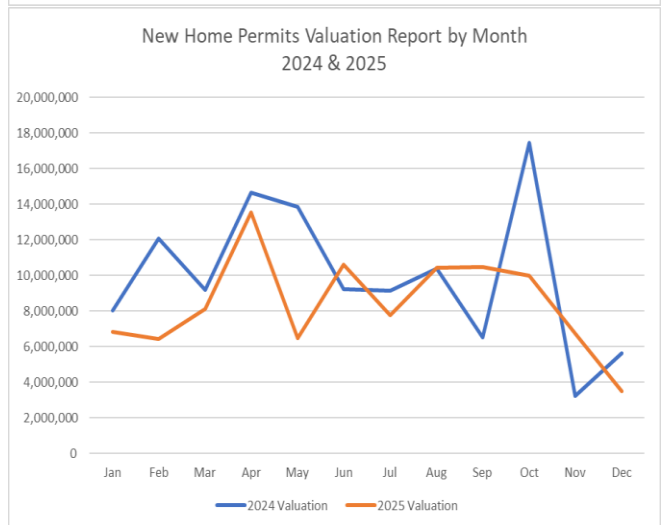
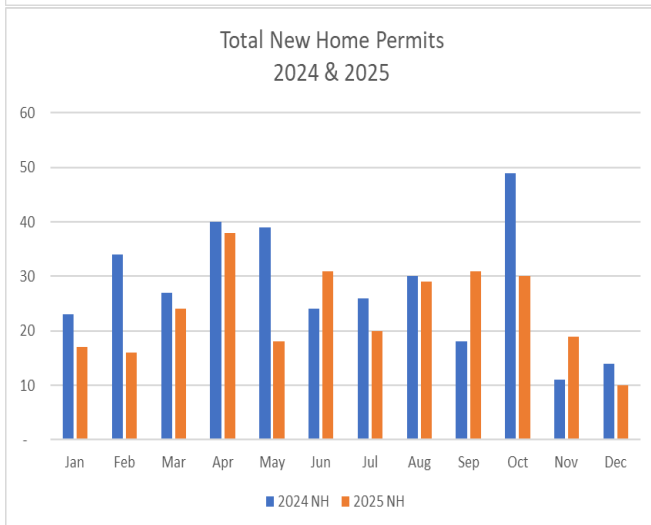
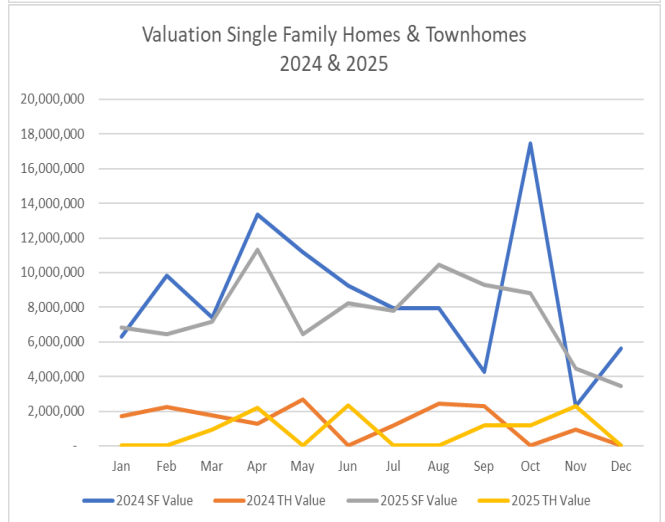
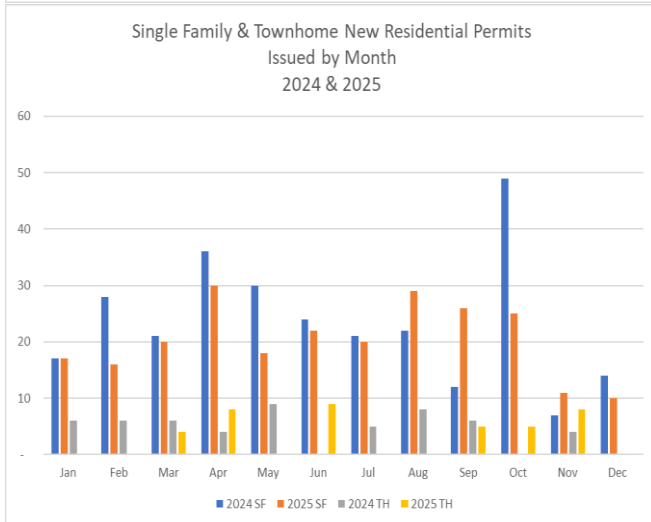
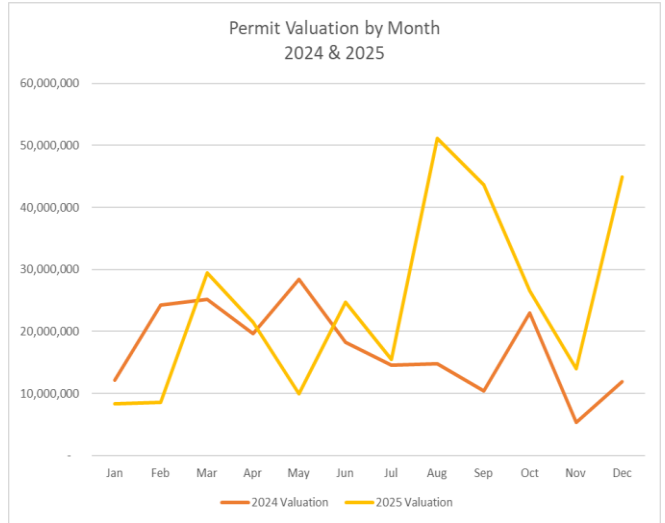
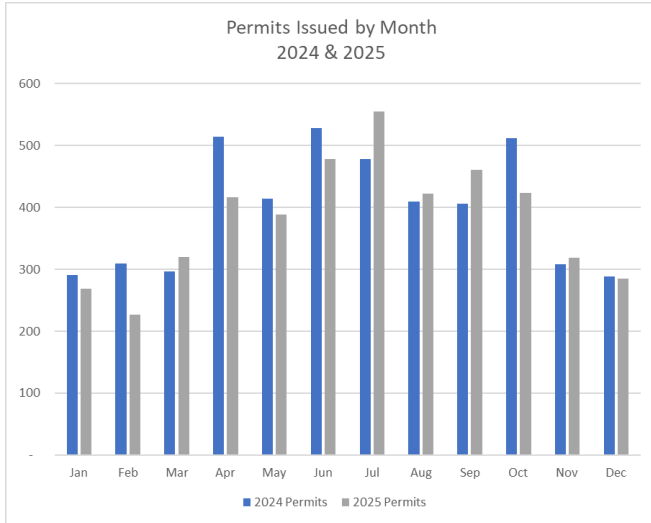
was received. The Planning Commission, on unanimous vote of 4-to-0, recommended approval. The City Council will take final action on this application at their January 21 meeting.



7430 80th Street Cannabis Business (CUP/V2025-033): Venus Creations has applied for a Conditional Use Permit to engage in cannabis retail sales at 7430 80th Street South, Suite 105; and a variance to the required 1,000-foot setback from the nearest low-potency hemp edible use business. No one testified during the public hearing. Commissioners asked how distances between uses were measured. On a unanimous vote of 4-to-0, the Planning Commission recommended denial. The applicant has withdrawn their application.



Building Permit Graphs





Economic Development Authority Action Request

5.B.

Meeting Date 1/13/2026

Department Economic Development

Agenda Category Action Item

Title **The Madison - Façade Improvement Program Application**

Staff Recommendation Approval of Facade Improvement Grant request for The Madison.

Budget Implication

Attachments

1.	The Madison Facade Improvement Program Memo_ 1-13-26
2.	Business Subsidy Agreement - The Madison_ 1-13-2026_ clean
3.	Madison Facade Improvement application_ 12-10-25
4.	7310_Lamar_Restoration
5.	7310_Budget
6.	MADISON_STATEMENT
7.	The Madison business record

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: January 13, 2026

RE: The Madison - Façade Improvement Program Application

Introduction

A façade improvement program is a popular mechanism to incentivize improvements to the exterior of commercial buildings. The purpose of the façade improvement program is to strengthen the vitality of the community by improving the overall appearance of the City of Cottage Grove commercial districts.

Background

Program Background

In 2019, the City of Cottage Grove approved a façade improvement program; the program is a grant-based program that offers a 50% match in financial assistance to commercial property and/or business owners. The financial assistance is meant to help beautify buildings, increase consumer awareness of businesses, and sustain a healthy commercial building stock in Cottage Grove by keeping them in code compliance.

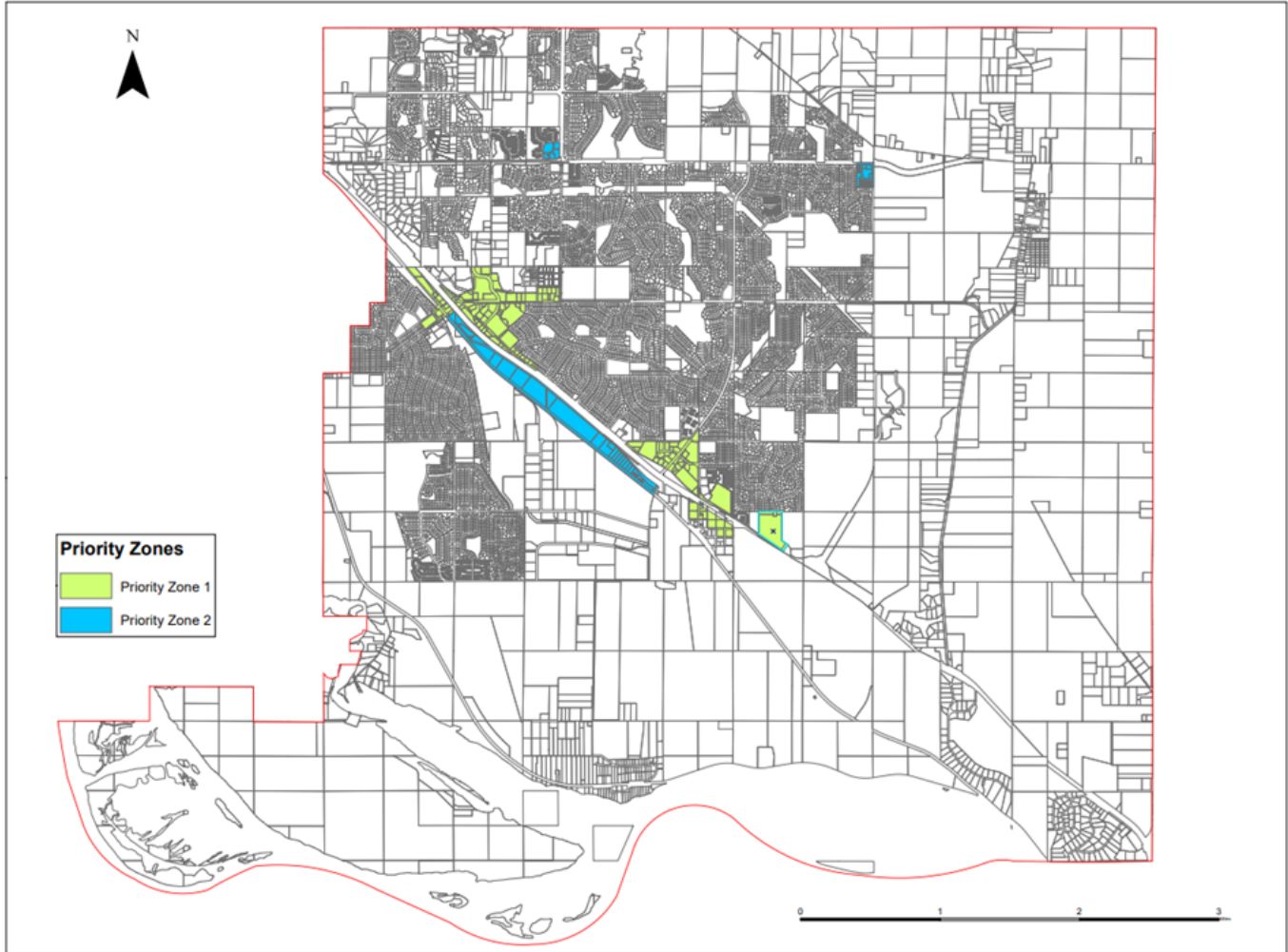
As part of the program, criteria was established that an applicant must meet in order to apply for the program. The criteria is used to determine the grant awardee(s). The criteria includes:

- Location within the City of Cottage Grove (based on priority map).
- Ability to encourage improvements to surrounding businesses.
- Ability to improve the appearance and attractiveness of an area.
- Consistent with Cottage Grove Comprehensive Plan.
- Compliance with City Codes.
- Priority may be given to local businesses over national/regional tenants.
- Building owners who have not previously been awarded a grant will be considered before those who have already received grant funding.

As referenced in the criteria, a business must be located in the City of Cottage Grove. Priority is given to applications from areas that contain a larger concentration of commercially zoned parcels as well as those areas in the community that have a more visible/higher traffic count.

The priority zones include:

- 80th Street and East Point Douglas Road (zone 1),
- Jamaica Avenue and East Point Douglas Road (zone 1),
- Southwest corner of 70th Street and Keats Avenue (zone 2),
- Northwest corner of 70th Street and Hinton Avenue (zone 2) and,
- West Point Douglas Road (zone 2).



Program Funding

The façade improvement program allows the EDA to award matching grants for 50% of the costs of improvements. In 2020, the funding was changed to reflect projects of larger scope, and applicants could submit for projects up to a maximum of \$24,999 matching reimbursement.

The 2026 budget has \$50,000 allocated for façade improvement program funding. The previous grant awardees have included:

- 2019: Oasis Chiropractic Building – 7470 East Point Douglas Road
- 2020: Culvers of Cottage Grove – 7998 Hardwood Avenue
- 2020: Jamaica Plaza Building – 8475 East Point Douglas Road
- 2020: Shoppes at Gateway North – 7750 Harkness Avenue South
- 2021: Caribou Cabin – 7702 80th Street South
- 2021: Carlson Auto – 8799 East Point Douglas Road
- 2022: Oak Park Commons – 7430 80th Street South
- 2022: The Shoppes at Almar Village – 7115 Jorgensen Lane South
- 2023: Hemingway Retail, LLC – 7584 80th Street South
- 2024: No approved projects
- 2025: 80th Street Crossings – 6990 80th Street South
- 2025: Sherwin Williams – 7430 East Point Douglas Road South

2026 Façade Improvement Program Applications

The EDA received a new application dated December 10, 2025.

7310 Lamar Avenue South (The Madison MN, LLC) – Not in Priority Zone

The Madison is also known as the Historic Furber House, which is located at 7310 Lamar Avenue South and is recognized as a historic structure on the local and national registry. The proposed project is a full restoration of the windows, siding, and decorative features of the historic house. Additionally, the foundation will be restored as part of the project scope. In total, the project is estimated at \$134,740 and the applicant is requesting \$24,999 which is roughly an 18.5% match. Any awarded dollars would be based on a 50% match of actual costs incurred by the business up to a reimbursement of \$24,999.



Current Façade

Discussion

Based on the intent of the program, staff is recommending that the project submitted by The Madison MN, LLC be awarded the maximum grant amount of \$24,999. The project meets the following criteria:

- Location within the City of Cottage Grove.
- Ability to improve the appearance and attractiveness of an area.
- Consistent with Cottage Grove Comprehensive Plan.
- Compliance with City Codes.
- Priority may be given to local businesses over national/regional tenants.
- Businesses and/or owners have not been previously awarded grant funding.

Staff is noting that the project proposer does not fall within one of the two priority zones nor is the site zoned for commercial use. Nevertheless, the business does have a Historic Preservation Conditional Use Permit, which grants the property the right to conduct commercial uses on the property. Additionally, the priority zones do not take into consideration any historical sites such as The Madison. Staff will be recommending a review of the façade improvement program in order to make amendments to the criteria.

The EDA is within their right to amend the current criteria to make awards that fulfill the intent of the program.

If this project is awarded funds, no grant funds would be disbursed until the project is complete. The program requires that the approved business sign a Business Subsidy Agreement which will be sent to the approved business. The business is then expected to submit copies of all receipt/invoices detailed in the project budget and photos of the completed work. After those items are completed and found to match the application then the matching grant funds of up to \$24,999 would be awarded to the applicant.

Recommendation

1. Award The Madison MN, LLC an award letter for the submitted project with matching funds of up to \$24,999 for any eligible expenses as part of the City of Cottage Grove Façade Improvement Grant Program.
2. Direct staff to review the priority zones and overall façade improvement program criteria and provide the EDA with potential recommended program updates.

Attachments

Façade Improvement Program Application
Subsidy Agreement

BUSINESS SUBSIDY AGREEMENT

THIS AGREEMENT (“Agreement”) made this 13th day of January 2026, by and between the Cottage Grove Economic Development Authority, a Minnesota public body corporate and politic, 12800 Ravine Parkway S., Cottage Grove, Minnesota 55016 (“EDA”) and The Madison MN LLC, a Minnesota limited liability company, 7310 Lamar Avenue South, Cottage Grove, Minnesota 55016 (“Owner”).

RECITALS

WHEREAS, the City of Cottage Grove (“City”) has long desired to improve the function and appearance of its community through economic development, and has invested substantial resources toward that goal; and

WHEREAS, the Cottage Grove City Council established the EDA in order to advance these objectives; and

WHEREAS, the EDA adopted criteria for awarding business subsidies, pursuant to the Business Subsidies Act, Minn. Stat., Sections 116J.993 to 116J.995 (“Business Subsidy Act”); and

WHEREAS, Owner owns the property located in Cottage Grove legally described as 7310 Lamar Avenue South with property identification number 12.027.21.23.0021 (“the Property”), which is occupied by a building that is in need of exterior improvements (“Building”); and

WHEREAS, Owner has proposed improving the exterior of the Building façade and parking lot on the Property as described on the attached Exhibit A (the “Project”) for a use that is consistent with the terms and conditions of this Agreement and is seeking a business subsidy (“Business Subsidy”) from the EDA; and

WHEREAS, the EDA believes the proposed Project would be desirable for the City; and

WHEREAS, the Project meets all criteria for awarding a Business Subsidy established by the EDA Policy on Business Subsidies and due to the estimated cost of the Project, it is not financially feasible without public assistance.

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, and in consideration of the covenants and agreements made herein, Owner and the EDA hereby agree as follows:

AGREEMENT

1. The Business Subsidy comprises of a forgivable loan in an amount not to exceed Twenty-Four Thousand Nine-Hundred Ninety-Nine dollars (\$24,999). The Business Subsidy shall be paid to Owner in a lump sum only after completion of the Project described on Exhibit A and through proof of paid receipts.

2. The public purposes of the Business Subsidy are as follows:
 - a. Promote the economic and commercial redevelopment of the City;
 - b. Preserve the local tax base and improve the general economy and vitality of the City;
 - c. Promote the health, safety and welfare of the residents of the City;
 - d. Remove, prevent or reduce blight, blighting factors or the cause of blight in the City;
 - e. Attract, retain, rehabilitate and preserve commercial facilities;
 - f. Eliminate or improve structurally substandard buildings;
 - g. Promote private investment in a blighted or economically depressed area, which can be expected to stimulate additional investment;
 - h. Afford maximum opportunities, consistent with the needs of the City as a whole, for the redevelopment of the area by private enterprise.
3. The goals for the Business Subsidy are to secure timely renovations and maintain the Property as a commercial building for at least five (5) years.
4. Upon completion of the Project, Owner, its tenants, permitted successors or assigns, will continuously occupy the Property for at least five (5) years, except in the event of unforeseeable casualty.
5. If Owner complies with the terms and conditions of this Agreement, the Business Subsidy will be forgiven five (5) years after the Completion Date. If Owner does not comply with the terms and conditions of this Agreement, Owner shall pay back a portion of the Business Subsidy on a prorated basis, with interest, based on the portion of the five-year operation period elapsed as of the date of default.
6. The parties agree that this Agreement shall be construed pursuant to Minnesota law and any disputes shall be venued in Washington County, Minnesota.
7. Notices to the parties shall be sent as follows:

If to EDA:

Cottage Grove EDA
Attn: Executive Director
12800 Ravine Parkway S.
Cottage Grove, MN 55016

If to Owner:

The Madison MN LLC
Attn: Brad Madison
7430 Lamar Avenue South
Cottage Grove, MN 55016

8. This Agreement shall not be assigned without the prior written consent of the other party, which shall not be unreasonably withheld.
9. This Agreement shall only be amended by written agreement approved by both parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their authorized representatives as of the date first written above.

[THE REMAINDER OF THIS PAGE INTENTIONALLY BLANK]

EXHIBIT A
DESCRIPTION OF THE PROJECT

The project at 7430 Lamar Avenue South shall consist of design assistance for the following items:

- Replacing damaged/rotted/asbestos siding
- Replacing and Refurbishing Windows
- Restoration of Architectural Millwork
- Tuck-pointing and joint restoration of foundation area



City of Cottage Grove Facade Improvement Application

Business/Property Owner Information

Applicant Name *	<input type="text" value="Brad & Louise Madison"/>
Home Address *	<input type="text" value="7430 Lamar Ave S."/>
City *	<input type="text" value="Cottage Grove"/>
State *	<input type="text" value="MN"/>
Zip Code *	<input type="text" value="55016"/>
Home Phone	<input type="text"/>
Cell Phone *	<input type="text" value="651.336.4421"/>
E-mail Address *	<input type="text" value="info@themadisonmn.com"/>

Business Information

Name of Business *	<input type="text" value="The Madison"/>
Business Address *	<input type="text" value="7310 Lamar Ave S"/> <small>Must be a City of Cottage Grove Address</small>
City	<input type="text" value="Cottage Grove"/>
State	<input type="text" value="MN"/>
Zip Code	<input type="text" value="55016"/>
Business E-mail Address *	<input type="text" value="info@themadisonmn.com"/>

Business Website *

Federal Tax Identification Number *

Business Structure *

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> C Corporation
<input type="checkbox"/> Partnership	<input type="checkbox"/> S Corporation
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Other: <input type="text"/>

For the Property to be Improved, are you: *

<input checked="" type="checkbox"/> Titled Owner	<input type="checkbox"/> Tenant, Long-Term Lease
<input type="checkbox"/> Owner on Contract for Deed	<input type="checkbox"/> Tenant, no lease
<input type="checkbox"/> Other <input type="text"/>	

Proposed Project

Please give a detailed description of the proposed project: *

Proposal of Project:

"The Madison" is a rustic, but elegant historic barn themed wedding venue which sits in the heart of Old Cottage Grove on 7310 Lamar Ave. S. The venue hosts around 12,000+ visitors per year from MN, as well as out of state guests. The historic barn sits on a 5 acre lot which is also home to a Nationally recognized historic house built in 1851 by the Furber Family. The house is currently in disrepair and our hope is to restore the historic property back to its original glory to be a beautiful representation of Cottage Groves past. The restoration of this unique building will convert the house from an eyesore

Have you received quotes from a licensed contractor: *

Yes No

Bid from a Licensed Contractor

<input type="button" value="Upload"/>			
7310_Lamar_Restoration.pdf	180.72KB		<input type="button" value="X"/>

Are you requesting Design Assistance? *

Yes No

(max amount \$2,000 no match required)

*Design Assistance requires implementation of licensed design professional into facade improvements.

Attachments

Photo of Current Facade or Project Area *

<input type="button" value="Upload"/>			
7310_facade.jpg	2.46MB		<input type="button" value="X"/>

Itemized Budget of Project *

Upload

7310_Budget.pdf

21.75KB

✕

Evidence supporting your ability to cover 50% of project costs (i.e. bank statement, loan approval letter) *

Upload

MADISON_STATEMENT.pdf

212.16KB

✕

Letter of Support (If not the building owner, letter from the building owner with contact information) *

Upload

LETTER_OF_SUPPORT.pdf

9.17KB

✕

Signature *

I understand that none of the projects submitted with this application can be started before being awarded a grant through the Façade Improvement Program. Any work started before a grant is awarded by the EDA is ineligible for reimbursement.

Bradley Jay Madison

Please Type Full Name

Date *

12/10/2025



Comments

2000 characters left

Approve

Reject

ESTIMATE

MedicineWood
9120 Grey Cloud Trl
Saint Paul Park, MN 55071

jake@medicinewood.com
+1 (651) 212-5273
medicinewood.com



Bill to
Brad Madison
7310 Lamar Ave S
Cottage Grove, MN 55016

Shipto
Brad Madison
7310 Lamar Ave S
Cottage Grove, MN 55016

Estimate details

Estimate date: 11/02/2025
Expiration date: 01/02/2026

#	Product or service	Description	Qty	Rate	Amount
1.	Full Window Restoration	Replace sash cords and perform a mechanical tune-up on site. Deglaze and remove all glass panes; repair structural/wood damage to window sash; strip all paint; reset and glaze original glass; replace broken or cracked glass (price does not include the cost of replacement glass); prime and paint; and restore hardware. Work to be primarily performed at my shop.	18	\$1,400.00	\$25,200.00
2.	Remove Built Up Paint	Remove excess paint from the jambs, parting bead, window stops, and sash to improve function further. One coat of primer will be applied to the appropriate surfaces.	18	\$150.00	\$2,700.00
3.	Weatherstripping (Upper Sash)	Installation of V-Bronze weatherstripping along the upper jambs and along the meeting rail.	18	\$125.00	\$2,250.00
4.	Weatherstripping (Lower Sash)	Installation of spring bronze weather stripping along the window jambs of the lower sash. Optional installation of bulb seal on the underside of the lower rail.	18	\$125.00	\$2,250.00
5.	Glass Replacement (Standard)	Replace broken glass panes with period-correct wavy glass.	26	\$100.00	\$2,600.00
6.	Window Sill Replacement	Remove and replace existing window sills with a historically accurate recreation.	8	\$500.00	\$4,000.00
7.	Custom Storm Windows	Creation of custom, wooden storm windows, replicated from the lone remaining wooden	18	\$850.00	\$15,300.00

storm window on the first floor nearest the main entry.

Total **\$54,300.00**

Ways to pay



Deposit due \$21,720.00

Expiry date 01/02/2026

Note to customer

This project estimate is an approximation based on information and requirements provided by the client and is not guaranteed. Actual costs and terms may change once all project elements are discussed, negotiated, and finalized. Prior to any change in costs, the client will be notified. This estimate is valid for 60 days.

Please note, I require a 30% deposit to ensure all necessary materials are available at the start of the project and pay for initial labor costs. Your deposit will be applied directly to your project costs and will be fully documented in your invoice.

Accepted date

Accepted by

ESTIMATE

MedicineWood
9120 Grey Cloud Trl
Saint Paul Park, MN 55071-1003

jake@medicinewood.com
+1 (651) 212-5273
medicinewood.com



Bill to
Brad Madison
7310 Lamar Ave S
Cottage Grove, MN 55016

Shipto
Brad Madison
7310 Lamar Ave S
Cottage Grove, MN 55016

Estimate details

Estimate no.: 0074
Estimate date: 12/10/2025
Expiration date: 01/09/2026

#	Product or service	Description	Amount
1.	Siding Replacement	The current asbestos siding, underlying wood clapboard siding, and tar paper will be removed and properly disposed of. The sheathing will be inspected, repaired, or replaced as needed, and brought into compliance if found to violate building codes. The house will be rewrapped with HydroGap Drainable House Wrap, and new flashing will be installed as needed. The house will be clad in prefinished quartersawn pine clapboard siding using period-accurate cut nails. New pine skirt boards and drip edge will also be installed.	\$60,000.00
2.	Additional Architectural Millwork	The original entablature, corbels, and soffit will be restored or replaced with exact reproductions where necessary. All exterior window casing will be replaced to match historic photographs. All ground-level window sills will be replaced, and second-floor window sills will be replaced as needed.	\$8,000.00
3.	Foundation Restoration	All existing mortar will be removed, and joints cleaned. The entire foundation will then be tuck-pointed using an NHL 3.5 mortar. Areas where the foundation stones have separated or failed will be delicately disassembled and reconstructed.	\$12,440.00
Total			\$80,440.00

Note to customer

This is just an estimate. Final prices are subject to change.

Expiry date 01/09/2026

Accepted date

Accepted by

Project:
7310 Lamar Ave S.
Facade Improvement Budget

Asbestos Siding Removal	\$6500.00
Full Window Restoration	\$25200.00
Remove Built Up Paint	\$2700.00
Weatherstripping Upper Sash	\$2250.00
Weatherstripping Lower Sash	\$2250.00
Glass Replacement	\$2600.00
Window Sill Replacement	\$4000.00
Custom Storm Windows	\$15,300.00
Siding Replacement	\$60000.00
Architectural Millwork	\$8000.00
Foundation Restoration	\$12440.00
Budget Total	\$141240.00



LAKE ELMO BANK
A TRADITION OF SERVICE

11465 39th St N • Lake Elmo, MN 55042

The Madison MN LLC
Venue Account
7310 Lamar Ave S
Cottage Grove MN 55016

Date 11/28/25 Page 1 of 10
Account Number [REDACTED]
Enclosures 28

---- CHECKING ACCOUNTS ----

Celebrate the Holidays!
Friday, December 12th - Holiday Treats at all Offices!
Enjoy a cup of coffee, a treat & pick up your 2026 calendar.
December 13th - Santa & Donuts from 9-11am, Lake Elmo Office

Your Community Bank Since 1911

SMALL BUSINESS CHECKING		Number of Enclosures	28
Account Number	[REDACTED]	Statement Dates 11/01/25 thru 11/30/25	
Previous Balance	138,627.41	Days in the statement period	30
22 Deposits/Credits	75,299.02	Average Ledger	142,173
91 Checks/Debits	65,899.81	Average Collected	139,011
Service Charge	.00		
Interest Paid	.00		
Ending Balance	148,026.62		

Deposits and Additions		
Date	Description	Amount
11/03	DDA Mobile Deposit	350.00
11/04	DDA Mobile Deposit	7,995.00
11/07	DDA CREDIT MEMO	671.84
11/10	DDA Mobile Deposit	4,497.50
11/12	DDA Mobile Deposit	4,997.50
11/12	DDA Mobile Deposit	4,497.50
11/12	DDA Mobile Deposit	2,000.00
11/14	DDA Mobile Deposit	4,047.75
11/14	DDA Mobile Deposit	4,997.50
11/18	DDA Mobile Deposit	1,250.00
11/18	DDA Mobile Deposit	3,995.00
11/18	DDA Mobile Deposit	1,750.00
11/19	DDA Mobile Deposit	4,497.50
11/19	DDA Mobile Deposit	1,250.00
11/19	DDA Mobile Deposit	1,250.00
11/24	DDA Mobile Deposit	2,747.50
11/24	DDA Mobile Deposit	4,997.50



Business Record Details »

Minnesota Business Name

The Madison

Business Type

Assumed Name

MN Statute

333

File Number

1477103700022

Home Jurisdiction

Minnesota

Filing Date

6/4/2024

Status

Active / In Good Standing

Renewal Due Date

12/31/2025

Principal Place of Business Address

7310 Lamar Ave S
Cottage Grove, MN 55016
USA

Mailing Address

None Provided

Applicant

Applicant Address

The Madison MN LLC

11021 278th Street, Chisago City, MN 55013

Filing History

Filing History

Select the item(s) you would like to order:

<input type="checkbox"/>	Filing Date	Filing	Effective Date
<input type="checkbox"/>	6/4/2024	Original Filing - Assumed Name (Business Name: The Madison)	

	Filing Date	Filing	Effective Date
<input type="checkbox"/>	9/18/2024	Amendment - Assumed Name	

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Economic Development Authority Action Request

5.C.

Meeting Date	1/13/2026		
Department	Economic Development		
Agenda Category	Action Item		
Title	Approval of 2026 Meeting Schedule		
Staff Recommendation	Approve EDA Meeting schedule for 2026.		
Budget Implication	N/A		
Attachments	<table border="1"><tr><td>1.</td><td>2026 Meeting Calender Memo</td></tr></table>	1.	2026 Meeting Calender Memo
1.	2026 Meeting Calender Memo		



TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: January 13, 2026

RE: 2026 Meeting Schedule

Discussion

The Economic Development Authority holds regular meetings on the second Tuesday of each month and holds special meetings as needed. The schedule below adopts the regular meeting schedule for 2026.

Recommended Meetings Schedule for 2026

Regular Meetings – 7:30 am

January 13, 2026
February 10, 2026
March 10, 2026
April 14, 2026
May 12, 2026
June 9, 2026
July 14, 2026
August 11, 2026
September 8, 2026
October 13, 2026
November 10, 2026
December 1, 2026 (**Note: this meeting will be held at 6:00 pm**)

Recommendation

Adopt 2026 EDA schedule for the regular meetings as presented.



Economic Development Authority Action Request

5.D.

Meeting Date 1/13/2026

Department Economic Development

Agenda Category Action Item

Title **Letter of Intent (LOI) with Tradehome Shoes**

Staff Recommendation Approve Letter of Intent with Tradehome Shoes.

Budget Implication

Attachments

1.	LOI Tradehome shoes Memo_1-13-26
2.	LOI - Wag Farms - Tradehome Shoes - 1-3-26

To: Economic Development Authority
Jennifer Levitt, EDA Executive Director

From: Nate Carlson, Economic Development Manager

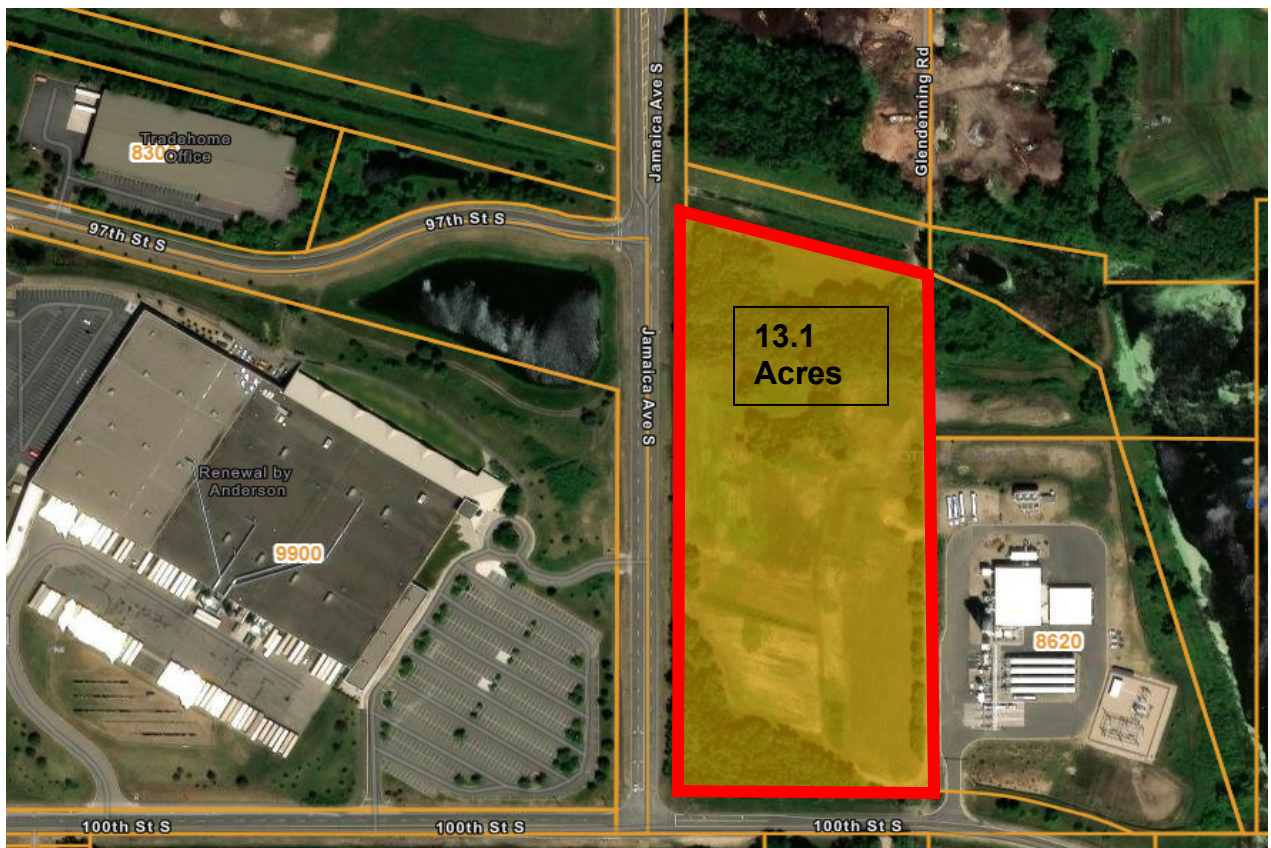
Date: January 13, 2026

Subject: Letter of Intent (LOI) with Tradehome Shoes

Background/ Discussion

The City of Cottage Grove received an LOI from Tradehome Shoes in December 2025 for the purchase of approximately 13.1 acres of land at the intersection Jamaica Avenue S and 97th Street S.

The vacant land is zoned I1 and project details for Tradehome Shoes are in development. Tradehome Shoes currently occupies an adjacent building at 8300 97th Street South. The purchase price for the land will be \$1,711,908 (\$3.00 PSF). The map below shows the location of the property to be purchased.



Pursuant to Minn. Stat. 469.105, the EDA must hold a public hearing on the sale of the property and publish notice of the hearing at least 10 but not more than 20 days in advance. Such notice was published in the City's official newspaper for this hearing.

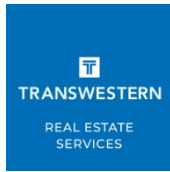
The land within the parcel is owned by Glendenning Farms, L.P., a Minnesota limited partnership, WAG Farms, Inc., a Minnesota corporation and Joan Glendenning Kennedy Family Limited Partnership, a Minnesota limited partnership (individually and collectively "WAG"). Historically, all land in the Business Park has been sold to the EDA and then sold to end user, allowing for cost recovery to make the site pad ready.

Recommendation

Authorize the EDA President and City Administrator to execute the Letter of Intent with Tradehome Shoes for the purchase of approximately 13.1 acres with PID: 21.027.21.34.007 at the price of \$1,711,908 and prepare purchase agreement documents to be approved at the next available EDA Board meeting following the necessary public hearing notice.

Attachments

LOI Documentation



January 5, 2026

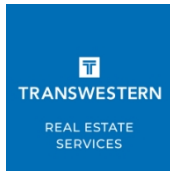
Jennifer Levitt
City Administrator/Executive Director
Cottage Grove Economic Development Authority
12800 Ravine Parkway South
Cottage Grove, MN 55016

RE: Letter of Intent to Purchase Lot 1, Block 1, Lake Flora Second Addition – approx. 13.1 acres, Cottage Grove.

Ms. Levitt,

The purchase shall be based upon the following terms and conditions:

- Property:** PID: 21.027.21.34.0007
Lot 1, Block 1, Lake Flora Second Addition - Approximately 13.1 acres (570,636 sq. ft) in Cottage Grove
- Seller:** Cottage Grove Economic Development Authority
- Buyer:** Tradehome Shoes and/or assigns
- Purchase Price:** \$1,711,908 (\$3.00 PSF) survey to govern
- Earnest Money:** \$100,000. The earnest money shall be paid to the title company within 7 days of approval of the purchase agreement by the Seller and held by the title company to be applied at closing or shall be refundable only as described below.
- Title Company:** DCA Title/The Title Team, 750 Main Street, Suite 208, Mendota Heights, MN 55118
- Due Diligence Contingency Period:** Period expiring 180 days after the approval of the Purchase agreement. Seller must deliver the due diligence documents referenced on Exhibit A attached hereto within 7 days after the approval of the purchase agreement by the Seller. Buyer may terminate the purchase agreement at any time during the due diligence period and receive a full refund of the earnest money, in Buyer's sole discretion. Buyer may extend the Due Diligence period by up to 60 days, for reasons related to city approvals and/or government incentives by submitting an additional \$50,000 of earnest money. Upon expiration of the Due Diligence



Period and applicable Extension Period the earnest money shall be nonrefundable and shall be forfeited to the Seller.

Closing Date:

Closing shall occur within 30 days of the expiration of the Due Diligence Period, unless extended by mutual agreement of the parties.

Real Estate Taxes

On or before the closing date Seller shall pay all real estate taxes applicable to the period prior to the closing date, and all special assessments that are assessed against the property as of the closing date. Buyer shall pay for, or shall assume the obligation to pay for all other real estate taxes and special assessments following closing.

Closing Costs:

Seller shall pay for the deed tax, the cost of preparing the title commitment and obtaining the related documents, the real estate taxes and special assessments as described above, one half of the closing fee charged by the company conducting the closing, and all other costs and expenses that are customarily paid by a seller in the state in which the Property is located. Buyer shall pay for the title insurance premium, all costs associated with Buyer's financing, one half of the closing fee charged by the company conducting the closing, the cost of any updated survey or phase one environmental site assessment, and all other costs and expenses that are customarily paid by a buyer in the state in which the Property is located.

Other:

The purchase agreement shall contain standard representations and warranties including regarding the absence of any environmental substances, the absence of any mechanic's liens, and that all due diligence documents are complete in accurate in all material respects. The purchase agreement shall contain standard default language.

Seller's Contingencies:

The closing shall be contingent on the Seller acquiring the property from its Owner, WAG Farms, Inc. and upon approval of the sale by the Seller at a public hearing. Prior to closing, the Buyer shall have all land use approvals and entitlements and an approved development agreement with the City of Cottage Grove for public infrastructure, if required by the City.

Expiration:

The terms and conditions of this proposal shall expire on January 31, 2026.



Broker:

Seller will agree to pay Nate Erickson of Transwestern (Buyer's Broker) a commission equal to 3% of the purchase price in connection with the closing of the transaction.

This Proposal may be withdrawn at any time. Other than such party's confidentiality and indemnification obligation, nothing contained in this letter of intent shall be binding on either party to the transaction unless and until a standard purchase agreement is fully signed by both parties. Within 10 days after the last of the parties has executed this letter of intent Seller shall prepare and deliver to the other party a form of purchase agreement that incorporates the terms and conditions of this letter of intent.

Please contact me with any questions or to set up a meeting to review this project together.

Buyer:

Tradehome Shoes and/or assigns

By: _____
Name: _____
Title: _____

Seller

Cottage Grove Economic Development Authority

By: _____
Name: Jennifer Levitt
Title: Executive Director



Exhibit A
List of Due Diligence Deliverables

Please provide all that apply and are in Seller's possession:

1. **Current ALTA/Boundary Survey** of the Property, including legal description and easements.
2. **Topographic Survey** showing contours, elevations, and existing site features.
3. **Geotechnical/Soils Reports**, including any borings, soil classifications, and recommendations for foundations or site work.
4. **Wetland Delineation Reports** and any correspondence with regulatory agencies regarding wetlands.
5. **Phase I Environmental Site Assessment** and any subsequent Phase II or remediation reports.
6. **Floodplain Maps or FEMA Determinations** applicable to the Property.
7. **Utility Maps and Availability Information**, including water, sewer, gas, electric, and telecom.
8. **Stormwater Management Plans** or drainage studies, if available.
9. **Zoning Verification Documents**, including zoning maps, permitted uses, and any variances or conditional use permits.
10. **Access and Right-of-Way Documentation**, including recorded easements or agreements for ingress/egress.
11. **Archaeological or Cultural Resource Studies**, if any have been performed.
12. **Environmental Permits or Approvals** related to wetlands, stormwater, endangered species, or other site-specific conditions.
13. **Previous Site Development Plans** or grading plans, if applicable.
14. **Any Known Title Exceptions** impacting land use (e.g., conservation easements, deed restrictions).
15. **Other Site-Specific Studies**, such as traffic impact analyses or habitat assessments.