



COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY
12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MN 55016
COUNCIL CHAMBER

May 12, 2026

- 7:30 AM

- 1 Call to Order
- 2 Pledge of Allegiance
- 3 Roll Call
- 4 Approval of Minutes
 - A Approval of April 14, 2026 EDA Minutes
Staff Recommendation: Motion to approve April 14, 2026 EDA minutes.
- 5 Business Items
 - A Community Development Update
Staff Recommendation: Receive the Community Development Update
 - B Country Inn & Suites — Facade Improvement Program Application
Staff Recommendation: Approval of Facade Improvement Grant request for the Country Inn & Suites
 - C Voltas — Facade Improvement Program Application
*Staff Recommendation: 1. Approval of Facade Improvement Grant request for Voltas. 2. No longer accept Facade Improvement applications for 2026.
2. Make a motion to direct staff to hold future applications until 2027 when additional funding will be made available for the façade improvement program.*
 - D TIF Agreement Amendment for Roers Housing Project
Staff Recommendation: Adopt Resolution# 2026-003.
 - E County Road 19A & 100th Street Realignment – Plat Preparation
Staff Recommendation: Authorize the use of EDA Trust funds for the preparation of a plat for the CR 19A/100th Street project corridor and surrounding 3M owned parcels.
- 6 Public Hearings
- 7 Other Business
- 8 Workshop
 - A Innovation Village and 100th Street Extension Update
Staff Recommendation: Receive the Workshop Presentation.
 - B Business Retention and Expansion Program Workshop
Staff Recommendation: Receive the Workshop Presentation.
- 9 Presentations
- 10 Adjournment



Economic Development Authority Action Request

4.A.

Meeting Date	5/12/2026		
Department	Economic Development		
Agenda Category	Action Item		
Title	Approval of April 14, 2026 EDA Minutes		
Staff Recommendation	Motion to approve April 14, 2026 EDA minutes.		
Budget Implication			
Attachments	<table border="1"><tbody><tr><td>1.</td><td>2026-04-14 EDA Meeting Minutes</td></tr></tbody></table>	1.	2026-04-14 EDA Meeting Minutes
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COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
12800 Ravine Parkway South
Cottage Grove, MN 55016
COUNCIL CHAMBER - 7:30 A.M.

April 14, 2026

1. CALL TO ORDER

The Cottage Grove Economic Development Authority (EDA) meeting was called to order at 7:30 a.m. by EDA President Myron Bailey.

2. PLEDGE OF ALLEGIANCE

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

3. ROLL CALL

Becca Bair, Administration Specialist, called the roll:

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

Staff Present: Jennifer Levitt, City Administrator
Becca Bair, Administration Specialist
Nate Carlson, Economic Development Manager
Emily Schmitz, Community Development Director

Others Present: None.

4. APPROVAL OF MINUTES

A. *Staff Recommendation: Approve the January 13, 2026 Economic Development Authority Meeting Minutes.*

EDA Vice President Olsen made a motion to approve the January 13, 2026 Economic Development Authority Meeting Minutes; second by EDA Member Scott. Motion carried: 5-0.

5. BUSINESS ITEMS

A. Community Development Update

EDA President Bailey said Nate's going to walk us through this and welcomed him.

Nate said Good Morning, President Bailey and Members of the Board. I'll give you a brief snapshot of the most recent Federal Reserve Bank of Minneapolis Beige Book, February 2026, as well as a Community Development Update.

Beige Book Highlights: Economic Activity: Down since the previous report. Employment: Decreased. Labor Demand: Unchanged. Prices: Increased moderately. Wage Growth: Moderate. Manufacturing: Decreased moderately. Construction Activity: Decreased moderately. Consumer Spending: Decreased. Agriculture: Remains weak. Women and Minority-Owned Businesses: Activity continues to decline.

Development Updates: Park High School: Installation of the new "North Entry" has started. Cottage Grove Middle School: The interior door frames, interior ceiling grid, exterior brick, and the Terrazzo flooring have been completed. Oltman Middle School: The staircase in the storm shelter has been installed, and the coil doors for the shelter are nearing completion. Hadley Ridge Apartments: Construction by Real Estate Equities-Installation of footings and foundation completed. Roers Apartments: Installation of the massive retaining wall continues. The apartments will be named "Ellwyn," and it is posted on their website and they are engaging with people who are looking for units there. Water Tower: Installation of the interior permanent ladders and platforms is complete. Construction on the Water Tower steel tank is continuous. Intermediate Zone Water Treatment Plant: Ongoing progress is being made on the concrete wall slabs.

Planning Projects: Kwik Trip (8510 95th Street): The Building Permit has been applied for, and the building plans are currently in review for Code compliance, and they anticipate breaking ground this summer. Panera (7162 East Point Douglas Road): The Building

Permit has been applied for, and the building plans are in review for Code compliance; this restaurant and bakery will be located on the site of the former Speedway gas station. They're hoping to open before year end. Yellow Tree Apartment Project (North of East Point Douglas Road and west of Hardwood Avenue, adjacent to The Legends): Council approved Tax Abatement for this project on February 18, 2026. Submitting permits in the next few weeks with expected groundbreaking in August. Van Meter Inc Addition (7450 95th Street): With their expansion project, they will be having a groundbreaking on April 29.

Nate said he'd answer any questions. EDA President Bailey asked the EDA Members if there were any questions; none were asked.

B. Façade Improvement Program Update

Nate said President Bailey, Members of the Board, as you may recall at the January EDA meeting, following the approval of The Madison façade grant, we discussed me making some review and potential recommendations to the Board on any type of updates to the guidelines. So, I'm bringing forward two main adjustments, but I'll give a bit of background on the program just for the audience: It started in 2019, and to date we've done 12 projects, for a total of \$284,000. It's a 50% match, so basically we are leveraging the \$284,000 in grants, so if you multiply that by two, it's pretty close to \$600,000 in investment that we've seen for exterior façades.

As far as the updates that we're looking at, primarily in the Program Criteria, the only one that I found to need adjustment was whether or not we wanted to maintain the Priority Map. I've been in communication with several interested businesses, and when I talk about this area of the Priority Map, they are concerned that if they don't fall into this category that it's not worthwhile to seek the application. My understanding is following The Madison approval, that we all are willing to do projects outside of this Priority Map. So, today what I'm considering is whether or not we want to maintain that Priority Map, given that the criteria strictly state that it needs to be a commercial activity and it needs to be commercially zoned.

So, with that said, I am recommending that we remove the Priority Map from consideration. Additionally, I'm recommending clarifying the total project funding is necessary. Right now, due to State Statute, if we grant \$25,000, we trigger Business Subsidy Law; so, the practice internally has been we have advertised it at \$25,000, but truly, the applicant received \$24,999 to be below that Business Subsidy threshold. So, the recommendation is to just simply state the maximum amount is \$24,999.

Those are the two items I have before you, and the motion is on your screen.

Recommendation, by Motion:

Approve the updated Façade Improvement guidelines, which removes the project Priority Map from the program criteria, and clarifies the total project award amount.

Nate said I'll stand for questions, and EDA President Bailey asked if the EDA Members had any questions.

EDA Member Khambata said I remember I was on the Planning Commission when this initiative went into effect, and I would have thought that there would have been more than 12 projects in the amount of time that the program's been available. I think initially the map was to try, we were afraid that everyone was going to come and ask, and I think that was the initial reason why we had zone maps was to try and kind of soft launch it and see what kind of response we got, and then we could amend it later. So, I think with 12 projects over 7 years, that's a manageable number of projects to broaden our scope a little bit. Then, my other question was I don't recall if we had set an annual budget for that Façade Improvement Program; so, that's my follow-up question, if we eliminate the zone map, is there any anticipation of adverse budget implications?

Nate replied thank you for that question, Board Member Khambata. My understanding is the Board approved a \$50,000 budget for this program for 2026. We have approved one, as of now, for The Madison that's \$24,999, and then I'm working on one right now, actually, there are two in the pipeline, but one has not proceeded with it to date; but I do have one that is proceeding for the max, so potentially, if they make it to the May meeting, then that would utilize the entire budget for 2026. However, the Board could make amendments to the budget if they felt necessary to supplement that line item.

EDA President Bailey asked EDA Member Khambata does that sound good? EDA Member Khambata replied yeah, thank you.

EDA Member Scott asked so, if there's a budget of \$50,000, and we remove the Priority Maps in the future, what if there are more than two projects? How do we prioritize those projects?

Nate replied I think that's a very good question, Board Member Scott. Ultimately, it would come down to the Board decisions on any grants. I think for the projects that I've reviewed and have reviewed historically, with where commercial projects are located, I think any and all projects are worthwhile to receive that funding because they are so public facing. So, for me, I can't really discern

what would be a higher level of priority because I feel like the projects that I have been involved with thus far are all deemed worthy to receive this.

EDA President Bailey said so, I can maybe answer that because I know that we have had in the past where we've had multiple applications come before us. Then what we did were kind of two things: One is we did use the zone, or the Priority Area 1 vs. Priority 2, kind of as the basis, who would get first or second, we used it that way. But I do remember, and he asked EDA Vice President Olsen if he remembered, was it up to six one time? EDA Vice President Olsen replied that's correct. EDA President Bailey said so, we had six, and we only granted two. I believe at that time it wasn't \$50,000, it was less, and after that, we bumped it to \$50,000 as a cap, in case we needed to move things around. So, I do think we still have that option. But to answer it, I think we would make the call, and then it would really be up to us on the EDA to determine, with staff's help, which would be the best projects to move forward on if we felt that they were worthy, if you will. Because there have been some projects that were presented to us in the past that weren't to the point of it was really going to do major differences, it was almost basic, like maintenance kind of things, whereas Oasis Chiropractic completely changed the front of their building, or things like that.

EDA Member Jean-Baptiste asked have we given any thought to keeping the maps, but not making it like a hard line dichotomy of hey, you need to be in this zone or you're out? You can still apply, whether or not you're in the zone, but the zones will be used to give priority. So, if we do receive six applications and three of them are within the zones, they're not automatically the ones that would win, but they would likely get priority given consideration to which business has higher visibility, amongst a lot of other points that we take into consideration. But not getting rid of the maps entirely, maybe getting rid of them in terms of you don't need to be in the zone to qualify, but maybe using them as one of the ways that we internally use to qualify projects or decide on the projects, on which ones move forward.

Nate replied thank you, Board Member Jean-Baptiste. What I'm noticing in my short time here is that it's become more of a barrier than maybe what was initially thought of as a way to prioritize. Starting with The Madison, first and foremost, it wasn't commercially zoned and it wasn't in the Priority Map. So, we had to make adjustments and the Board had to basically state that it met the criteria based on our interpretation. Additionally, another business that has approached me within the Industrial Park that has a smaller footprint building, not a massive building, has stated, well, is it even worth my time to apply for this if I don't fall in the Priority Zone? So, what I am noticing in my short time here is it's becoming more of a barrier. I have worked on façade programs in the past, and yes, it's good to kind of have a general sense of where these dollars should go, and I think that this program thus far has really done well on that; but as far as listing this as a Priority Map, I think the concern that I have is that you might be pushing people out, more so than trying to level up priorities. So, it truly is up to the Board on whether or not you want to proceed here, but from what I have been able to review in the past 12 projects, along with the ones that have approached me thus far, I see the Priority Maps as more of a barrier than anything to help the Board at this time. So, that's my recommendation.

EDA Member Jean-Baptiste said thank you.

EDA Member Latack said I think even if we do remove the maps, we can still hold some weight to that, though, if we are looking at different projects. So, it wouldn't really limit us, you know? EDA Member Jean-Baptiste replied yes.

EDA President Bailey said I would agree. I think to your point, this is just my opinion for me, is if there's a business along Highway 61 that really needs a façade improvement versus maybe something elsewhere in the community, that's going to be our call as the EDA here to say which one we felt has more need. And that's not to say the other one doesn't need it, but again, that will also be an opportunity, I don't want to freak out our City Administrator, but that also could be a situation where if there's something very unique, where we felt okay, can we adjust the budget for that one year and add a little extra in or something like that. That is something that we can do. Luckily, we have the Trust Fund for the EDA, and that's, you know, really where this is coming from.

EDA Member Tschida said yes, I guess that was my question is what fund does this come out of? So, it's the Trust Fund.

EDA President Bailey said I want to make sure that is accurate? Yes.

EDA Member Tschida said okay. I guess so we essentially have a budget for two of these a year, and it feels right now like we're first come, first served on it. Because, you know, you say you're working on one, we already did one; well, the next one in front of us is the one that's going to get the other one, unless we have two at the same time. So, I mean, this rolling application system we have is kind of what's going to determine who gets it, and when we're done, we're done. So, I guess I don't know if at some point we're getting four, five, or six applications a year, we're going to have to put some kind of deadline on this and then make that call, but I mean that's probably further down the road when we see if this is; we're getting more applications, which is what we want, we want to make this a little more competitive, I would hope.

EDA President Bailey said yeah, that's a good comment.

EDA President Bailey said the only other question I have real quick was I was noticing as I was reading through the packet, there was a portion in there that talked about \$2,000 for like the planning or something? Do you want to speak to that? Is that \$2,000 I'm assuming part of that \$24,999, or is it above and beyond?

Nate replied thank you, President Bailey, for the clarification. So, there is a \$2,000 opportunity for property owners to access any design assistance, where our Site Plan Review team can assist. That \$2,000 is part of that \$24,999; so, that is the entire total project grant award. So, if a project does pursue the \$2,000, and they're still asking for the entirety, they really only can receive \$22,999 in addition to the \$2,000 design assistance. So, it is a total max award of \$24,999.

EDA President Bailey said sounds good, that's what I thought, but I just wanted to make sure that was clear.

Nate asked if I could just comment on Member Tschida's comments regarding the applications and everything. In my review, there was a point in time where we did have hard deadlines, and then we fluctuated away from that, so that it was more rolling, based on demand. So, I mean, we're really at a point here where I'm trying to gauge what the demand is for this program, and we can certainly install more hard deadlines on this program. But at this time, I feel confident that working through a rolling application process, and if there is truly, if we award another project, I'd still be willing to accept applications to review and bring to the Board for consideration if I felt that it met the criteria and it was a worthwhile project.

EDA President Bailey said and my last thing, I promise, so then we can vote. It kind of goes back to what EDA Member Khambata mentioned; there were some years in there and if you think back to COVID, to be quite frank, where we didn't have any. There was no money being spent so we went a couple years where we didn't have anybody come in for that money, so we never actually spent it. Just an FYI for everyone, so that might also be a little bit of our reasoning why, from when we started this, if it's basically two per year, it could be more depending on the dollars, and would make a difference.

EDA Member Khambata said and I just wanted to point out that it's my understanding that this is not a block grant, it's not here's \$24,999 and find a way to match what we give you, it's a matching grant up to that limit. So, if we were in a position where we felt we had a finite amount of money to spend, and there were more than two applicants, we could choose to grant less than the full amount and spread it around a little bit more if we needed; but I remember having a distinct conversation about this with former Council Member Dennis about it could be used for signage, right? Some people have signs that the lights are burnt out or any number of façade improvements that don't automatically equal the full maximum amount for the grant. So, I think, ultimately, because it's a grant, the EDA has and is going to continue to have the autonomy to kind of assess the nuance and can make some policy changes along the way. So, I don't think whatever we vote on this, I don't think it's a hard commitment that we can't make changes to in the future.

Motion by EDA Member Khambata to approve the updated Façade Improvement Program guidelines, which removes the project Priority Map from the program criteria and clarifies the total project award amount; second by EDA Member Tschida.
Motion carried: 7-0.

C. Demolition of House and Outbuildings Quote Award

EDA President Bailey said Jennifer, our City Administrator, will take us through this one.

Administrator Levitt said well, thank you, EDA Members, just so you know, it kind of hearkens back to my engineer days, so anytime that I get to talk about construction and bids, I get excited; so, thank you for humoring me this morning.

As you know, we purchased the Ross property in the fall. We had an environmental review of the property done, and it was found to have asbestos in the siding and some other miscellaneous areas in the home. So, as we actually prepared our quote package for demolition, it had to also include the abatement for the asbestos. The City has been able to secure a grant from Washington County to seal the well, and so we did take quotes for that and that is being fully funded by that grant.

So, the work that will be taking place out there is really the demolition and cleanup of the entire property. So, you can see the various outbuildings we'll be removing and abandoning the septic system, filling in that basement area, and then at the end of the day, there will be topsoil and seed, and then the City will mow and maintain that site once its done. All the utilities so far have been disconnected from the home.

And, so, the next step is to prepare for the demolition of the home. We received some very competitive bids for the project. Our Engineer's Estimate was about \$80,000. The first bidder, unfortunately, did not grasp both the demolition requirement and the asbestos abatement, so they did withdraw their bid. So, the low quote would go to NML Contracting, with a value of \$52,000. So,

before you we have two items: One is the resolution to award that to NML Contracting, LLC, for \$52,800, and then the second motion is to execute the Service Agreement.

Recommendation, By Motion:

1. **Adopt Resolution 2026-002 awarding the demolition and cleanup of 9430 East Point Douglas Road South to the low quote supplied by NML Contracting, LLC, for \$52,800.**
2. **Authorize the EDA President and the EDA Executive Director to execute the Service Agreement with NML Contracting, LLC, in the amount of \$52,800.**

EDA Member Khambata asked does that bid for clearing and removing debris include the cutting down and removal of any blighted trees as well, in accordance, you know, if it were anybody else, if they were going to be removing trees, we have a formula for that. I'm just curious if that's part of this site prep bid.

Administrator Levitt replied Members of the EDA, at this time, no, we don't have any tree removing. We're specifically looking just at the actual physical structures. And one complication that enters into is when we have an applicant come in, they do have to evaluate the tree species for compliance with our Tree Ordinance for removal, and at that time, we would anticipate that they would remove any dead or diseased trees.

EDA Member Khambata said thank you.

EDA President Bailey asked if there were any other questions from the EDA; none were asked.

Motion by EDA Member Khambata to Adopt Resolution 2026-002 awarding the demolition and cleanup of 9430 East Point Douglas Road South to the low quote supplied by NML Contracting, LLC, for \$52,800; second by EDA Member Scott.

Motion carried: 7-0.

Motion by EDA Member Jean-Baptiste to authorize the EDA President and the EDA Executive Director to execute the Service Agreement with NML Contracting, LLC, in the amount of \$52,800; second by EDA Member Latack. Motion carried: 7-0.

6. PUBLIC HEARINGS

A. Public Hearing to Approve Sale of Property

Staff Recommendation: 1) EDA hold a Public Hearing. 2) Adopt Resolution 2026-001 purchasing 13.1 acres from WAG with PID:21.027.21.34.0007 at the purchase price of \$1,084,208.40 and selling 13.1 acres to THS Overtime, LLC with PID: 21.027.21.34.0007 at the purchase price of \$1,711,908.00.

EDA President Bailey said we have a Public Hearing this morning, and Nate will be taking us through this on the sale of some particular property.

Nate said certainly, President Bailey, Members of the Board, you may recall that at the January EDA Meeting, we authorized a Letter of Intent with Tradehome Shoes regarding a piece of property, east of Jamaica Avenue, roughly 13 acres. This is a property that the City has worked with the underlying landowners, informally known as WAG, and where the EDA acquires it at a reduced rate and then sells it at market rate to a new entity to recoup some investment that was made for the adjacent infrastructure.

So, today, via State Statute, the EDA is required to hold a Public Hearing upon the sale of property. Following that, the EDA can take action on the resolution that has been drafted, before you.

I want to state that I've been working with Tradehome Shoes on some State incentives; I'm hopeful that they'll have an application here in the next month or so. Additionally, we are working with them on project scope and developing development standards, and I'm going to be bringing in the Community Development team as well as the Engineering team to help coach them through the process. I want to also state that with that transaction, the EDA will receive just north of \$627,000 to fund the EDA Trust, with closing anticipated for November 2026.

Recommendation, By Motion:

1. **Hold the Public Hearing.**
2. **Adopt Resolution 2026-001 purchasing 13.1 acres from WAG with PID:21.027.21.34.0007 at the purchase price of \$1,084,208.40 and selling 13.1 acres to THS Overtime, LLC with PID: 21.027.21.34.0007 at the purchase price of \$1,711,908.00.**

EDA President Bailey asked if there were any questions from the EDA Members on this item; none were asked.

EDA President Bailey opened the Public Hearing. As no one spoke, EDA President Bailey closed the Public Hearing.

Motion by EDA Member Khambata to Adopt Resolution 2026-001 purchasing 13.1 acres from WAG with PID:21.027.21.34.0007 at the purchase price of \$1,084,208.40 and selling 13.1 acres to THS Overtime, LLC with PID:21.027.21.34.0007 at the purchase price of \$1,711,908.00; second by EDA Member Jean-Baptiste.

EDA President Bailey asked if there was any further discussion.

EDA Member Khambata said I would just like to note that this is a business that has been in our community for north of 20 years, and I'm really excited to see them going through this expansion process.

EDA President Bailey said and another one in our Business Park doing the same thing, yep, I think it's great, a great moment.

Motion carried: 7-0.

7. OTHER BUSINESS

EDA President Bailey said I will mention to the EDA that we have two items in our Workshop, and we will be going to the Training Room for this: Innovation Village and 100th Street Extension Update to share with the EDA, and then the Business Retention and Expansion Program, just to talk through the things that we want to ask or be part of with regards to speaking to our local businesses. So, we won't be adjourning in here, we'll be adjourning after the Workshop. So, I will gavel here and then we'll move to the Training Room. Thanks, everyone.

8. WORKSHOP - TRAINING ROOM

EDA President Bailey said all right, like you mentioned, we'll start with the Innovation Village and 100th Street piece of the workshop first. Nate said I would like to move Director Schmitz forward to discuss broadly the Innovation Village plan and kind of the current planning process as we move forward.

A. Business Retention and Expansion Program Workshop

Staff Recommendation: Receive information and/or updates from staff.

Nate said the last quick update that I have for you is primarily revolving around the Majestic Ballroom Update. So, the Community Development Director and I have been working with the property owner. We received direction from Council to work on demolition of the building. We've completed a blight analysis for setting up a future Redevelopment TIF to ensure that that could be utilized if, in fact, we needed to.

I've been working through a Demolition Assessment Waiver with the owner, which would basically state that the City would front the cost, and then we would recoup that cost upon sale. So, we're working with the property owner to see if that's a viable option with the potential for demolition this summer.

Lastly, as I button up this conversation, I wanted to make Board Members aware that of the land in the Langdon and Innovation Village area, we do have about 12 acres or so that is owned by the EDA, so, the ones highlighted in yellow. The Majestic Ballroom is right here, in the middle, so I've had interest with developers on this because its adjacent to, its closest to the infrastructure. We also own the property south of here that is not serviced at this time.

I think in future conversations, what I was hoping with the conversation is having more discussion amongst Board Members on what we want to do with the property. Maybe it's a little bit early, as we watch the 100th Street project happen, but having those conversations and strategies around development opportunities for property that we control.

B. Innovation Village and 100th Street Extension Update

Staff Recommendation: Receive updates from staff on Innovation Village and 100th Street Extension.

Director Schmitz said I'm going to go quickly here through a lot of details because of our time constraint. A couple of areas that we're going to touch on and what kind of triggered our investigation into this particular area with 100th Street, Ryan and Paul are going to go into some more depth there. Just an update on the Majestic Ballroom, some developer interest in the area, and some future development opportunities.

But before we get to all those details, an overview for the EDA of what we're calling Innovation Village. This was triggered in 2024, it really stemmed from the County's Southwest Arterial Study, how to best get access through this area from Highway 61 down to Grey Cloud Island, ultimately. So, that triggered looking into 100th Street extending from Jamaica Avenue directly through our Business Park, which is this blue line here, so don't worry, 3M owns the majority of the land. So, we certainly had to take that into

consideration as we were evaluating what this looked like, but with this infrastructure, it triggered us to really think high level about how we wanted to see this area develop. It is a lot of vacant land, there's also some redevelopment, like I said, the Majestic Ballroom, and then you also have the Langdon Village area with some current residences, etc. We wanted to have a big picture, and I want to be very clear, this is high level, it may go this direction, but it can also shift as we see some additional development.

So, we looked at the area in different zones, depending on kind of where it was located, so we could really paint a good picture of what potential development might look like. This particular area is awfully unique and wonderful, all at the same time. It is one of our final nodes, per se, right off of Highway 61, so a great commercial asset potentially in this DNA area, which would just be off that intersection of Jamaica and Highway 61.

I wanted to include some of the visionary images of what these different zones might look like with that development, and kind of the vision that we use. So, we would maybe look at gas stations, retain, obviously it's easy access like Innovation, right off the highway. As you continue north, we envision a little bit more of that Mixed Use, some residential mixed in with perhaps some commercial. Most notably, what we thought about in this Zone A was kind of a City Square or a center where we could have some walkability opportunities and things like that. As you continue to head what I'll call north, we looked at Zone C and said, hey, right adjacent to the highway, this is honestly perfect for some of that high rise or taller apartment residential. We know that this community will continue to grow, likely somewhere around 6,000 housing units over the next handful of decades, so we know that there's certainly support there. And then Zone D is a little bit unique in that it is adjacent to the railroad tracks; however, as we've seen elsewhere in our community, that doesn't hinder a residential development or growth, as long as you are developing that in a way that creates a little bit of a buffer. We can certainly see some of that residential development happen here. For that Zone D area, we kind of have a vision for a little bit more maybe townhomes. You're still going to have that higher density, but not necessarily single family.

I totally forgot to mention as a part of this overall small area plan, we also incorporated a Market Study. We wanted to really make certain that as we looked at this area, does the community, do we see that market support for that potential commercial retail growth in this particular area. Yes, there is absolutely support, especially as we continue to think about the additional households that we will see.

Zones F and E: So F, to orientate yourself, that's where we've got our current self storage up there. We envision it would likely stay that way; there's always the opportunity for redevelopment, but in this vision, we thought it likely will remain. So, we would kind of just know that that would stay. Zone E is also unique, again a great node for some residential adjacent to a regional storm basin, also, though, those railroad tracks; so, a little bit of a constraint there. However, it's nice and tucked in there, right? And, so, we would certainly look for a great unique housing opportunity in that particular area.

And, finally, Zones G and H: As you head south of 100th Street, we would envision I'm going to call it a little bit of a buffer in that G area. I keep calling it High End Industrial, with some of the medical industrial, some of those more high end, or higher-paying job or wages in that particular area, creating a really nice buffer between potential continued industrial south of that, adjacent to what we would like to consider our nice commercial residential growth area on the north side of 100th Street.

This is my final slide, but the last thing I wanted to note was again the majority of this area is owned by 3M, so they will be a huge part of the potential growth development, market rate development in the area.

Director Schmitz said so, with that, I'm turning it over to Paul, who is going to talk through more of the details of 100th Street, which is, in fact, the trend for any of this potential development or redevelopment.

EDA President Bailey said Emily, real quick, on the last slide, have we at least shared this already with 3M? Director Schmitz replied yes.

EDA President Bailey asked and are they comfortable with this?

Director Schmitz replied 3M continues to digest.

EDA President Bailey said well, that's why I'm asking, because I know that they were adamantly against housing on their property.

Director Schmitz replied yes, we've had some good conversations with them about their shift in thought process, they've always been a company that has maintained a land buffer. They get a little bit anxious about residential development or growth adjacent to their operations, but they're starting to really think about could there be a different type of buffer, and that's where I talked about in that Zone G and F. Is that, we're going to call it a building buffer now, right? Something that they can digest. So, I will say that they haven't accepted it completely, but we continue to have those conversations.

EDA Member Khambata said so, I have a burning question, but I'll let him go first.

EDA Member Jean-Baptiste said so, this might have been considered, but do they currently own this land and are planning to sell this land to us, or do we currently have the rights to it?

Director Schmitz replied they currently own it, and it will certainly be up to them when they are ready to sell. So, the City doesn't own it.

EDA President Bailey said to answer your question, it would shock us, that's why, because 3M owns this right now, if they are willing to sell it.

EDA Vice President Olsen said correct, they have never wanted to.

EDA President Bailey said and part of it is because the incinerator's gone out there now, which had to have a blast radius. Yes, I know that sounds horrible, but that's why. And, so, now that they don't need that buffer anymore for so much distance, this is giving them the opportunity to, and this is amazing for us, I'm just going to say.

EDA Member Khambata said I just wanted to elaborate on G and H. So, 100th Street is on the north edge of G, so I think your idea behind having the higher-class industrial is to have like a Class A façade and kind of step down to the more industrial type of buildings on the cheaper, larger parcels that are to the south; that would kind of mitigate any kind of visual effect on our corridor there. Additionally, with this having been a blast radius for an incinerator, and 3M probably won't tell you unless they're in like a contract with an end user, but are there concerns on our end for any environmental concerns or RECs that need to be mitigated before that land can be developed?

Director Schmitz replied Board Member Khambata, so as a part of any potential development or redevelopment, there will certainly be any environmental review that would have to be completed before that type of development.

EDA Member Khambata said okay, good.

Good Morning, I'm Paul Sponholz, the City Engineer. I'm fairly new here. As Emily had mentioned, the Southwest Arterial is something that the County and the City have been working collaboratively together here to want to open up this area. We've got a really high-level concept aerial view shot from Jamaica Avenue, looking to the east. Way up on the top there is the interchange with Highway 61, and we've got Miller Road coming off here, that's the railroad track that the roadway is going to be crossing all over and so forth.

The City and County have been working quite extensively to get funding for this project; we've secured about \$13.5 million so far from Federal and State funds. The City and County are able to contribute some funding, about \$5 million from the City and another \$6 million from the County, and we're still trying to secure additional funding here. We currently have a State Bonding Request in, asking for another \$10 million. We have a Federal request here for another \$10 million, and there's something called a Build Grant, a Federal grant, for \$20 million. So, we're still waiting on word, whether we're going to get that or not. We have been working with the County, whether we get that funding or not, the entire project to build the 100th Street, as well as Innovation Road, and you'll see it in the next slide, and the frontage road, that entire project's estimated at about \$47 million; we've only got about half of that right now, but we are committed to and the County is committed to at least build this piece of 100th Street and the new connection to Miller Road here. We are moving forward with that.

With that, we've been working pretty hard in the last couple months here kind of getting, this is a really odd picture here, the north is kind of to your upper-left corner there; this is the interchange, there's the 100th Street extension with Jamaica Avenue down there. Here is Miller Road and the railroad track cutting across diagonally here, and Miller Road would come in there. Innovation Road, coming to 3M, is up here.

So, we've been working extensively, like I said, just to focus on this 100th Street corridor and get that built, so we've had quite a spaghetti junction here of all these different lines you see here; I'm not going to get into every one of them, but we've got gas lines, sewer lines, electric power lines, just a nest egg of different conflicts there that we've had to work around. We finally got something that worked with the railroad overpass, and this is pretty much the final alignment here that we're looking at now. Like I said, we're focused only on 100th Street to get construction started here, to use that available funding that we already have; a lot of that funding's got sunset dates, so we've got to use it or lose it kind of thing. So, we've got this committed to move forward here, starting construction hopefully in the Fall of 2027 and then going into 2028.

Highlighted here in the purple or pink here is the Innovation Road realignment, and then the frontage road connection here. Right now we are just drafting that in for now, but that's not going to be part of the initial phase of construction here until we get additional funding or waiting on development.

We have been working quite extensively with 3M, we just met with them last week, showing them this alignment. We've shared this plan with them, and they'll be giving it some thought, and we'll get responses here hopefully in the next couple weeks. Depending on those responses, we're hoping to move into platting the Right-of-Way for the road and then platting for a future development.

Engineer Sponholz asked are there any questions?

EDA Member Latack asked when will we likely find out about the other funding opportunities?

Engineer Sponholz replied I believe the BUILD grant is probably in June, I think was the anticipated announcement, and then the State, that's in the State legislature with their Bonding, so that's usually the end of May-June timeframe. On the Federal request, it depends on when they can agree on a budget, so.

So, we're moving forward with the construction plans, and we're getting something started here to at least use the funds that we already have.

Administrator Levitt said and EDA Members, and I know, Mayor, you'll probably touch on it, but you'll be going back up to the Capitol at the end of this month to help with that.

EDA President Bailey said so, we'll be up there again to talk on the \$10 million from the State. Actually, we have to talk about this, Karla, our County Commissioner, just sent me the dates for the Transportation Alliance in September, which might be the Federal, if needed. So, Ryan, you and I can talk through that one, too. The good news is, yes, I know there's craziness going on in D.C., as we all know, but there appears to be some bipartisan shift support between our Republican and Democratic leaders here from Minnesota. So, that's good to hear because if they both can agree on it, it'd be nice if they both can agree, so it's not one pitting against the other. And I'll actually say right now, both our Republican Representatives as well as our Democratic Representatives at the Capitol are also in favor of the \$10 million. Of course, sometimes it helps to be an election year, everybody wants a win, and so, the fact that we're asking for it, and we were tops of the list, we just got cut off in the last Bonding, and they literally told us to come back to the next one; so, there's a good chance, and I'll be frank, whether it's \$10 million, whatever that number might be, but we should get something this year, we're hoping there will be the \$10 million.

EDA Member Tschida asked I guess piggybacking off of the funding question, if we get some of that or none of that or all of it, I mean, how does that delay the project if we get it, you know?

Engineer Sponholz replied between what we've already secured and with what the City and the County have committed to, we can get the 100th Street extension built here. What we have is this main road here, so we can certainly relieve some of the traffic congestion on Jamaica, get this to kind of start opening, and then we'll get this built here in the next couple years. Then, yeah, as funding comes in or as development comes in, we can work on these.

EDA Member Khambata said you said there were sunset dates on some of those grant blocks; what is the triggering event for permanently securing those funds? Is it having a construction agreement executed, or is it finalization of the work? Like at what phase in the project do we need to be at that prescribed date?

Engineer Sponholz replied I believe we have to have a contract pretty much ready to go here, so committed or awarded to a contractor.

EDA Member Khambata said so, that's less pressure than having every, the logistics of having everyone in place and doing the work, it's having the front end work done and committed to, to release those funds. Is that my understanding?

Engineer Sponholz replied yeah, I believe we have to have the contract with the contractor set up and the project awarded, so.

Good Morning, everyone, Ryan Burfeind, Public Works Director. I'm going to just quickly touch on utilities in the area because that's obviously a key part as we want to develop it. One thing I'll mention, these colors, these are not related to like Zoning Districts, like Emily would, I'm really trying to highlight how we're going to serve it and then what the ownership is. So, the light blue, dark blue, that's the 3M, and the yellow is east of this gas pipeline and the Met Council pipeline; that's all the kind of private ownership, Public Works, and EDA land.

So, utilities are definitely a challenge for this area. About two years ago, we started a Feasibility Study for utility servicing, and the big challenge is, in Cottage Grove we have different pressure zones for our water system. So, as you have different elevation, we've got kind of individual little zones, and this railroad track is a boundary from a pressure zone. So, we have to get two watermain connections to serve this blue and the yellow and eventually if we did serve south of 100th Street as well. One is readily available, that blue star, that's right by Public Works, in the upper part of the screen. The challenging one is right here, the watermain is over by Walmart, and this has always been part of the City's plan. We have to cross under Highway 61 for the big watermain, and we do that by directionally drilling, so we don't dig up Highway 61, we actually do like a tunneling effort under the road to install without impact from the highway, but it's extremely expensive and challenging. So, we want to have those two points of service, so that way there's redundancy; if you're going to have big apartments, industrial, whatever it may be, you need two ways to serve them because you can't have a single watermain break and take out an entire area of town from water servicing. So, this is very critical and expensive.

For sewer, even though the Met Council's large pipeline is right here, it's like six feet underground. So, we can't use gravity pipes to get to it, we need an actual lift station. So, this green star will be a sewer lift station where everything will flow to, and then that will pump it into the Met Council pipeline. It's fairly common to use sewer lift stations, but they are more expensive to accomplish. So, we need all of that done to serve this area. With the initial 100th Street project, we're definitely going to be installing any watermain in the roadway, and sewer that we have to do, but in the project, as of now, we don't have the lift station or the crossing of the highway. Typically, we have development fund that, so we actually collect what's called area charges, so it's a per-acre charge that they have to pay to get these big utilities to serve them, so it's a little bit of a chicken and egg thing. We have a plan to do it, we know what those costs are to do it, we just need the mechanism to get it done and the funding to get it done. We invested a lot of utility money south of 100th Street, by NorthPoint, so we really need development to help fund this work.

This little darker shade of blue I highlighted, this is the one that Emily mentioned, another commercial node west of the tracks. This is actually on a different pressure zone, so we have to bring watermain from over by Jamaica to serve it, and that would be extended with the project. Because if we're going to build 100th Street, we want to build that watermain as well. And then the sewer, this will actually be a sewer connection down to a City sewer, kind of down in that low area when you go through 100th Street and you cross the waterway. So, a little bit of different utility servicing for that area, which will largely be in place once 100th Street is done. But, once again, that is 3M land, so they'd have to be willing sellers to sell that land for development. So, it's a little bit easier to accomplish there.

South of 100th Street we do have the ability to serve that as well, so when we planned all this, we can serve south of 100th. It kind of depends on what 3M wants to do. 3M actually serves themselves with water and sewer, so if they actually were to develop this land themselves, with their own use, they would serve it with their own water and sewer. If they were to sell it for private development, then we would serve south of 100th, for which we have a plan, and that lift station has the capacity to handle it.

Director Burfeind asked if there were any questions on utilities.

EDA Vice President Olsen asked Ryan, what about Xcel?

Director Burfeind replied in terms of power, power is a big one, obviously, and it's talked about a lot in our community, that we have outages, we have issues. In terms of this area, because of all the transmission lines, there is a pretty large amount of power. So, for any like more typical development, that could be well served. If you had those higher-power users, whatever that may be, it comes in different shapes and sizes, that would need additional power to serve this area. So, more of your typical industrial, residential it sounds like Xcel has the ability to serve.

EDA Vice President Olsen asked are you confident that they can get the job done?

Director Burfeind replied I want to say yes, because that is their commitment, but I know that's a hot topic in this area. This Chemolite substation is what serves it, and the last two big outages we've had in Cottage Grove have been from that substation, which they say are an animal or something getting in there, but those are the two outages that we've had. So, they've made a lot of improvements at the Cottage Grove substation, up by Hinton, but this one still has challenges.

EDA Member Khambata asked if there's a major end user; so, say you have a, I'm trying to think of a good example, a server farm or somebody's going to come in and use a ton of power, it's my understanding that they're responsible for kind of building that connection out to the power supply, right? Like versus a specific set of wiring that's run for like residential use has a certain capacity. If somebody's going to come in and they know that they're going to use up 90% of that capacity, are they obligated to kind of make that supply line more robust, or who is ultimately going to foot that bill? Is it Xcel, and they bill it back to the end user, or is it like with other, how we do projects, where somebody's going to come in and we're going to bill them on the front end and we're going to build out infrastructure that meets the needs of the development? That was a big word salad, but what I'm getting at is like how do we ensure that we have an excess of capacity?

Director Burfeind replied good question, Board Member Khambata. So, from what we hear from Xcel is if it's a specific end user what they talk about is that they have to do the work to bring that power in, all the costs. I know there's a lot of talk out in the public where those costs get spread out over an entire area; that's not what Xcel has told us. They said that that end user has to pay all the costs, not just in this area, but to bring the power to this area. If there was a really big end user, they either have to connect into, you know, there's the large power lines just north of here that run to the railway corridor, or bring it all the way over from Inver Grove Heights, across the river, is kind of where the two bottlenecks are and where they need to bring power from. But it would be the cost of that end user.

EDA President Bailey said you know, this shows, and supposedly we heard it at our last meeting with Xcel, that they are agreeing to put lines that are coming in from Inver Grove Heights because they are extremely old. Director Burfeind said correct, yep. EDA President Bailey said and they've had a lot of challenges with it, so I believe that's this year.

Director Burfeind said and that's correct, mayor, it's this year.

EDA President Bailey said so anybody who's on that part is at least there, but to your point, we've heard the animal theory so many times.

EDA Member Khambata said the thing that comes to mind is the line that runs down Hinton that keeps breaking, and it keeps like causing outages in that area, and it's like it's clearly, I perceive that as an oversight on their part for not having redundancy built in to that sector, right? And so they're trying to mitigate that in the future.

EDA Vice President Olsen replied right, it would've made a world of difference.

Director Burfeind said I don't want to run up against our cut-off time here, so I'll turn it over to Nate. Thank you, everyone.

9. PRESENTATIONS - None.

10. ADJOURNMENT

EDA President Bailey said first of all, thank you to the EDA for hanging with us, and if we do need to have review on this at our next meeting, we can kind of pick this up along with the Business and Retention Program.

**EDA Vice President Olsen made a motion to adjourn; second by EDA Member Tschida. Motion carried: 7-to-0.
The meeting was adjourned at 8:28 a.m.**

Respectfully submitted,

Nate Carlson, EDFP
Economic Development Manager

NC/jag



Economic Development Authority Action Request

5.A.

Meeting Date 5/12/2026

Department Economic Development

Agenda Category Presentation

Title Community Development Update

Staff Recommendation Receive the Community Development Update

Budget Implication

Attachments

1.	Federal Reserve Board Publication April 2026
2.	Development Update 2026-05-12



Federal Reserve Bank of Minneapolis

Summary of Economic Activity

Economic activity in the Ninth District increased slightly since the previous report. Employment rose slightly, recent labor demand was positive, and wage growth was moderate. Prices increased modestly overall, with higher input price pressures, particularly those related to oil. Growth was noted in manufacturing, commercial construction, commercial and residential real estate, and energy. Consumer spending, services, and residential construction activity were flat. Agricultural conditions remained weak.

Labor Markets

Employment rose slightly since the last report. Surveys suggested that labor demand turned positive in February and March. While some of this increase was likely seasonal in nature, both current and future hiring sentiment was notably higher than a year ago, and fewer firms reported a decrease in labor. While firms said they were hiring most often to replace turnover, reports on head counts nonetheless ticked higher compared with the previous month and the same period a year ago. Staffing firms reported healthy new job orders. A food retailer in northwest Montana said that higher gas prices will push commuting employees to “look for employment closer to their homes or request increased wages.” A contact from a T-shirt printing shop in Minnesota reported that it “would like to add staff but holding off due to economic volatility.” Layoffs remained low; initial and continuing unemployment claims over the most recent four-week period declined compared with the same period a year ago.

Wage growth was moderate. Surveys showed that wages and other compensation were growing at rates similar to the previous month and the same time a year ago. A staffing firm seeing strong demand, particularly for industrial temp workers, reported annual wage increases of about 3 percent. Wage data from a payroll firm suggested that wages among District clients were flattening for salaried workers.

Prices

Prices increased modestly overall, but input price pressures intensified. In a monthly survey, 31 percent of firms increased prices to customers in March from the month earlier. Meanwhile,

almost half of firms reported that their nonlabor input prices increased over the month. Expectations for the month ahead were slightly higher for pricing to customers but less for input prices. Multiple contacts reported a steep rise in freight costs due to higher diesel prices. One manufacturer reported that due to fuel surcharges, “we will need to charge more for parts being manufactured to offset those price increases.” Contacts also reported increases in vinyl and plastic resin prices due to petroleum costs. A construction industry contact reported that raw material price increases in April were “much larger than normal” and vendors warned that prices would continue to increase. The wholesale prices component of a regional manufacturing index increased sharply in March.

Worker Experience

Many workers in the District faced a shrinking number of job openings, although the prospect of finding a job varied based on skills and sector. Nurses and other health care support staff remained in high demand. Meanwhile, workers looking for jobs in areas such as office administration, accounting, and creative activities were applying for more jobs and waiting longer. Some attributed the difficulties to artificial intelligence. Finding a job was easier outside of large metropolitan areas, but meeting required skills was a challenge for many. A workforce development contact said that more workers were considering further training to expand their prospects.

Consumer Spending

Consumer spending was flat since the last report. Contacts in retail, accommodation, and leisure reported slightly lower recent demand, but a majority of them expected future sales to improve. Some Minnesota firms, especially in Minneapolis-St. Paul, noted improved operations and sales with the easing of immigration enforcement actions. However, contacts reported concerns over rising fuel and other costs and tight household budgets. A family restaurant in Michigan's Upper Peninsula said recent business had fallen because the store's cost of goods was rising and “the average customer does not have as much to spend going out.” Regional airports saw single-digit increases in passenger travel, while Minneapolis-St. Paul International Airport experienced single-digit declines, which was attributed to decreased international travel. Contacts also expected ticket prices to rise with increased fuel costs. March vehicle sales were lower compared with last year at a large dealership in the western portion of the District.

Services

Activity among services firms was flat. Contacts in financial services reported improved business, with expectations for continued improvement. Firms in nonfinancial services reported declines, however. Medical services firms were experiencing a drop in demand for elective procedures. Shortages of commercially licensed drivers and rising fuel prices were adding pressure to freight

firms. A contact for a South Dakota vehicle repair shop also noted that business was “slower than usual,” with customers “holding off on larger repairs” due to higher gas prices, the conflict in the Middle East, and general uncertainty. A Minnesota marketing company contact said that sales were lower as “many enterprise clients are pausing work” and the company would be cutting jobs “if we don’t see revenue pick back up.”

Construction and Real Estate

Construction activity in the District edged up modestly in recent weeks. Nonresidential construction continued to outperform residential construction. Job openings increased in preparation for the spring season. Labor challenges in the industry persisted, particularly in rural areas, where talent continued to retire. “We are looking to hire, but [are] unable to find qualified candidates,” shared a Montana builder. A contact from a midsize company in Minnesota reported laying off 20 percent of its workers due to immigration enforcement. Another contact said the busy construction season will be challenging, “given the uptick in construction demand amid the current labor market. I am forecasting delays across all trades [and] expect projects to be delayed.” Increased input prices, growing freight challenges, and geopolitical uncertainty were putting pressure on the sector.

Commercial real estate grew slightly. A multifamily property contact reported healthy rental demand; new apartment construction has been subdued, which has lowered vacancies. Retail vacancy rates were low but ticked slightly higher, and contacts reported some nervousness over softer tenant sales. Office space was improving slightly, particularly outside of core urban areas and assisted by a dearth of new construction. Residential real estate showed signs of improving. While February home sales were subdued, available (but limited) March sales data showed double-digit increases in a number of western District markets compared with last year.

Manufacturing

Manufacturing activity increased moderately since the last report, but sentiment remained mixed. Among manufacturing survey respondents, 44 percent reported an increase in orders in March compared with a month earlier, and a quarter reported a decrease. A similar share of respondents expected sales to increase in April. However, commentary from manufacturers was mixed. “Good to see some pickup in demand,” commented a metal fabricator, “However, very little foresight into conditions much beyond the next week or two. It is challenging.” An index of regional manufacturing conditions indicated that activity increased in Minnesota, North Dakota, and South Dakota in March from the previous month.

Agriculture, Energy, and Natural Resources

District agricultural conditions remained weak since the previous report. Contacts viewed recent increases in cash prices for grains and soybeans positively but expected that sharp increases in diesel and fertilizer input prices would squeeze margins. Reports going into planting season indicated that District farmers were planning to increase corn acreage, but market volatility cast considerable uncertainty on that decision. District oil and gas exploration activity increased slightly from the last report.

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: May 5, 2026

RE: Development Update

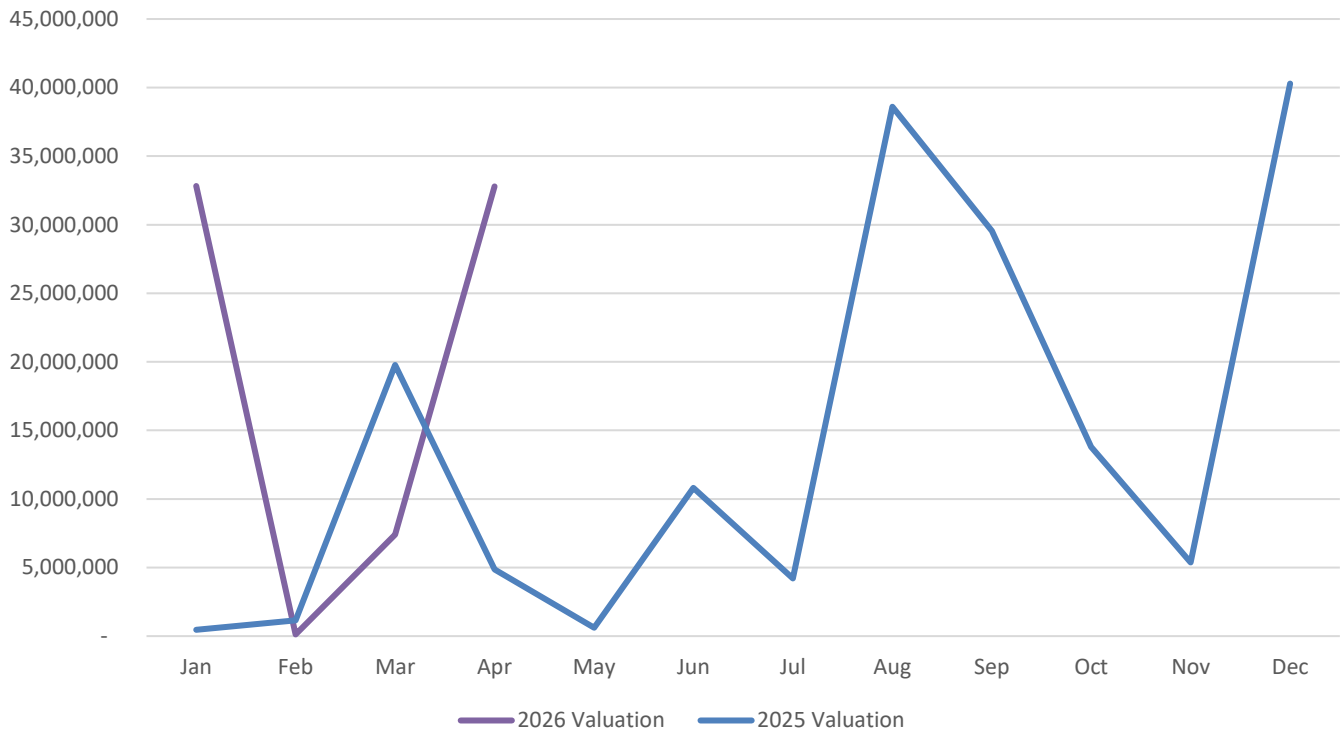
Building Permits

Building Permit Statistics:

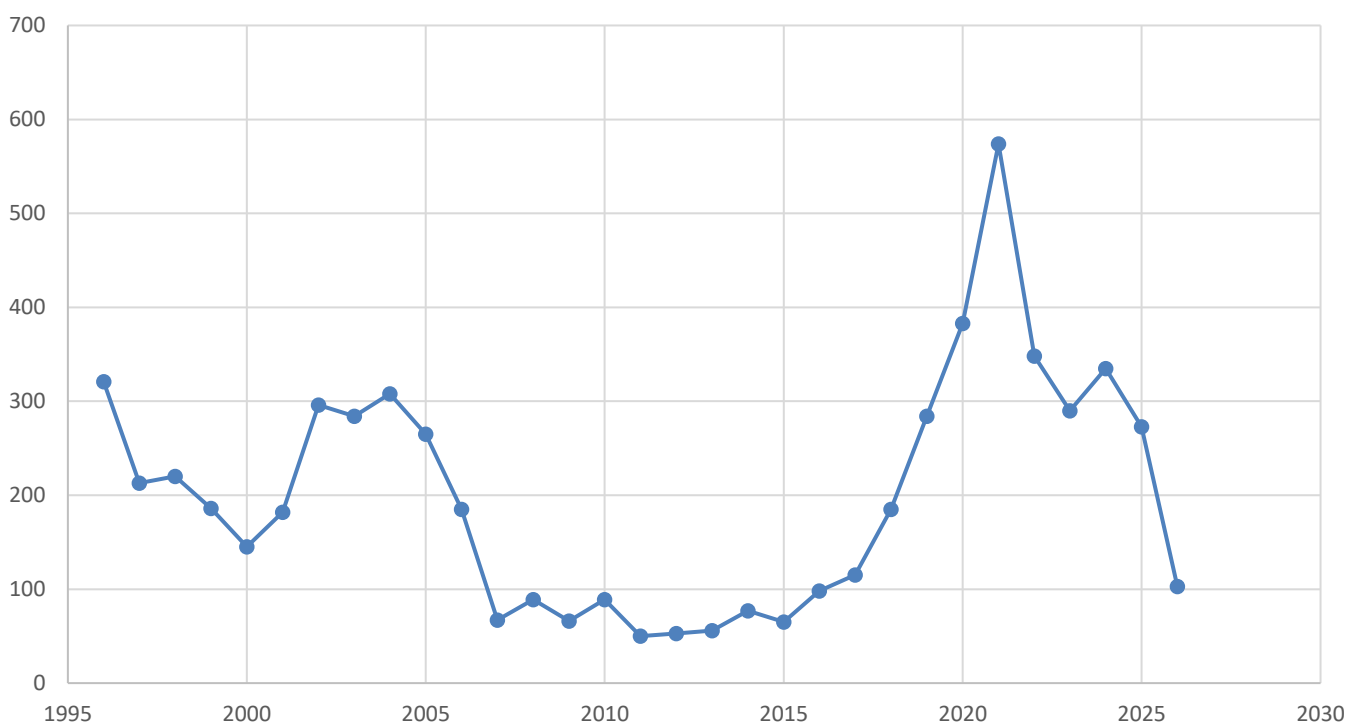
Between April 1 and April 30, 2026, there were 390 building permits issued with a total valuation of \$50,460,984, including 29 single-family homes valued at \$12,269,242; 9 townhomes valued at \$2,467,698; and 35 commercial permits with a valuation of \$32,797,980.



Commercial Permit Valuation Comparison
By Month
2025-2026



Residential Permits - New Construction
1996 to 2026



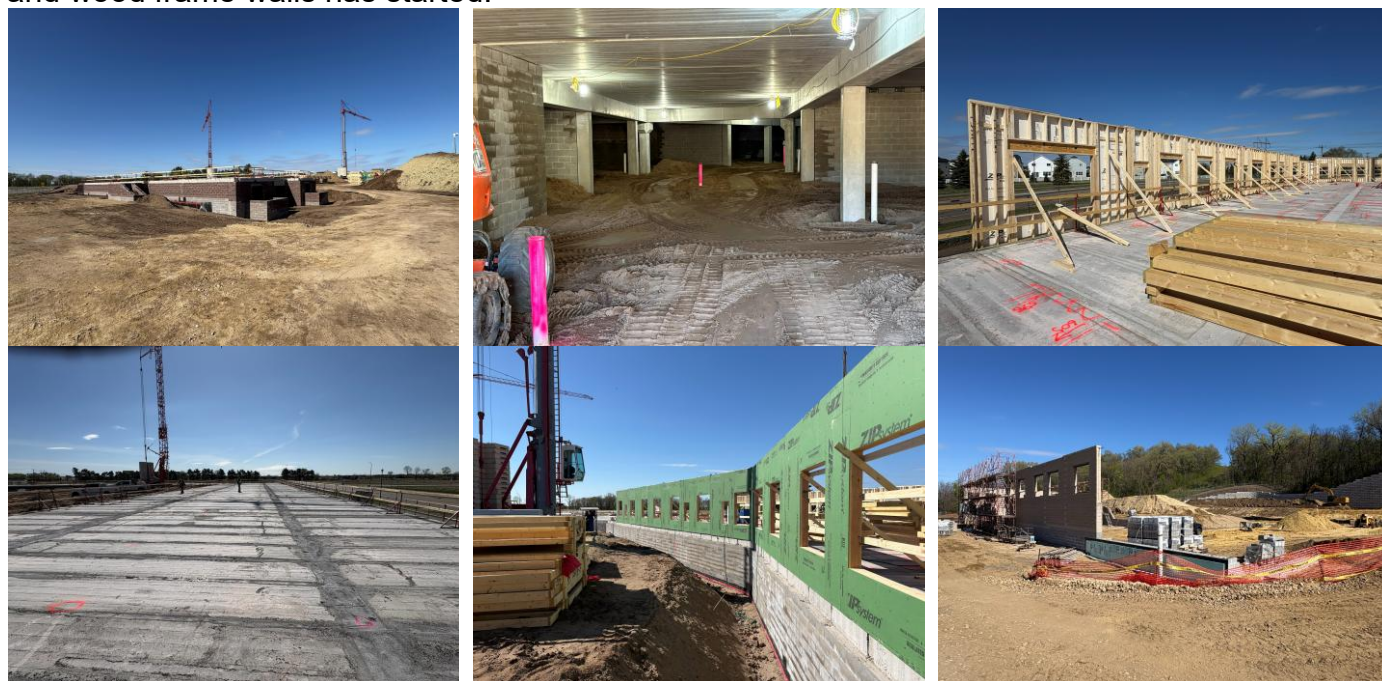
Current Project Updates

Building Construction Projects

Roers Cottage Grove Apartments (6850 East Point Dougla Road): Installation of the foundation drain tile has started. The installation of the foundation footings and block walls continues.



Hadley Ridge Apartments (10015 Hamlet Avenue): The installation of the precast columns, beams, and hollow core slabs are complete. Installation of the plumbing underground, civil storm pipes, and wood frame walls has started.



Kwik Trip (8510 95th Street): The Building Division has approved the building permit. This permit should be ready to issue.

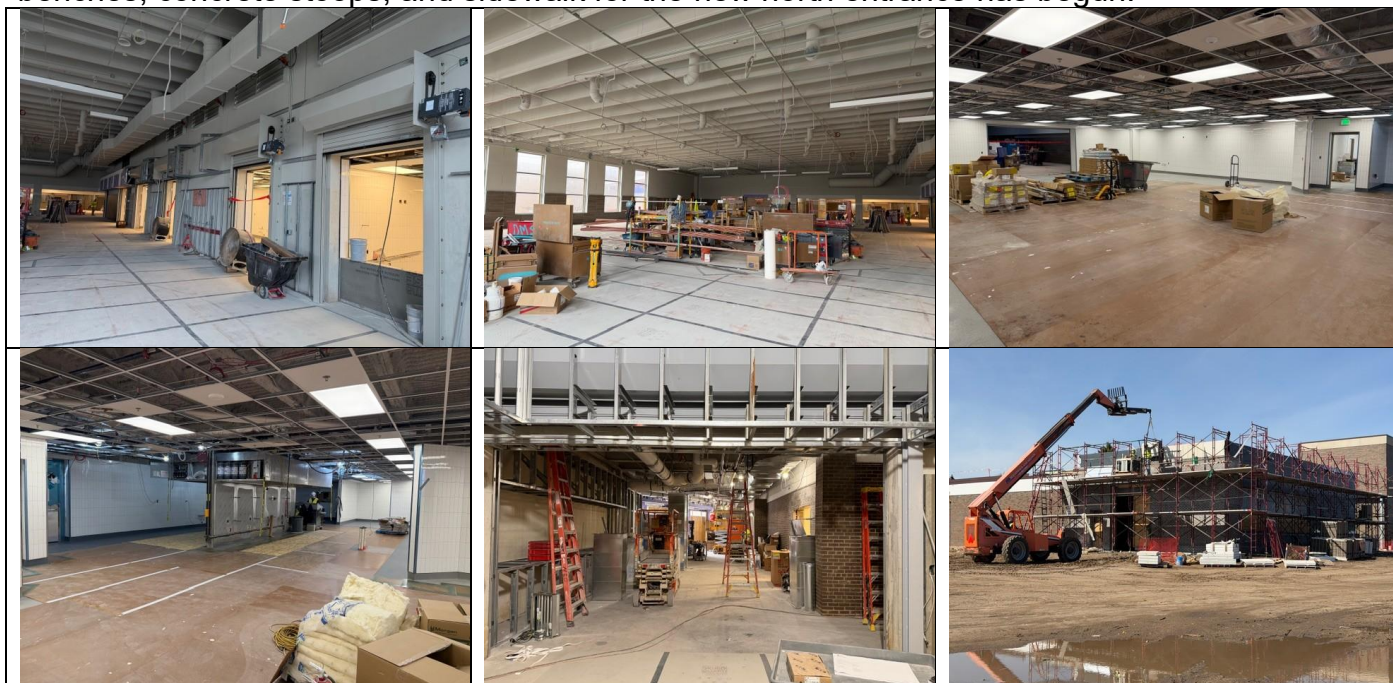
Cedarhurst (6940 Keats Avenue): Framing for the atrium has started.



Van Meter (7450 95th Street): Minor modification to the existing foundation at the back of the building to convert the 40-foot section into continuation of loading docks has been completed. The relocation of the building's storm water drains is underway in preparation for the new addition.

New Life Church (11245 Point Douglas Road): The code compliance plan review is complete, and a plan review letter was sent to the permit applicant.

Park High School (8040 80th Street): The ceiling grid and kitchen floor are being installed in the cafeteria. The installation of the storm shelter coil doors and storm rated ventilation louvers have been completed. Soffit framing, drywall, paint, and tile work continues in the cafeteria. Ductwork, concrete floor, and exterior brick is underway for the woodshop addition. Work on the planters, benches, concrete stoops, and sidewalk for the new north entrance has begun.



Cottage Grove Middle School (9775 Indian Boulevard): The installation of the interior storefront frames, glass, and doors has started as well as installation of the interior cabinets is underway. The

installation of the plumbing fixtures has started, along with the bathroom grab bars, and the interior painting continues.



Pine Hill Elementary School (9015 Hadley Avenue): The building permit for the addition has been issued.

Grey Cloud Elementary School (9525 Indian Boulevard): The building permit for the addition has been issued.

Oltman Middle School (6625 Goodview Avenue): Installation of concrete stoops for the new entrances as well as the windows for the cafeteria addition have started. Paint and tilework are underway in the classroom addition.



SoWashCo Schools Transition Program Building (7000 Jamaica Avenue): The installation of the interior cabinets, finish flooring, and exterior concrete sidewalks has commenced. The excavator has started on the finish grade. Interior painting continues.



Cottage Grove Water Tower (7550 95th Street): The installation of the interior concrete slab is complete. The surface preparation for painting the exterior steel tank has begun.



Intermediate Zone Water Treatment Plant (8540 81st Street): The installation of the concrete slabs, walls, elevated decks/slabs, and process piping continues.



Park Grove Library (7900 Hemingway Avenue): The demolition of the existing building has started. The contractor is waiting on Xcel to disconnect gas and electrical utility connections within the building in order to continue with demolition of a portion of the building and parking lot. The new section of the foundation and relocated utilities will start once Xcel has completed their work.



Planning Division

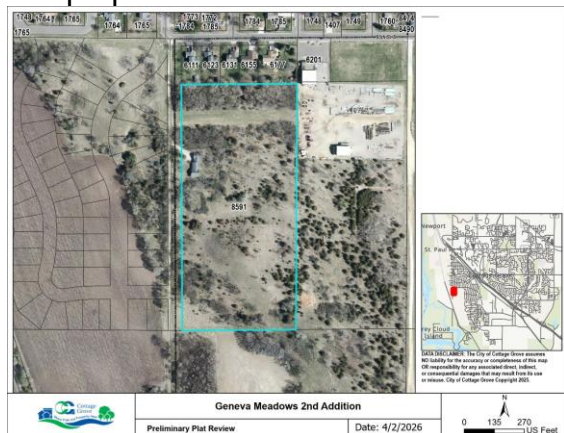
April 27, 2026, Planning Commission Meeting

The Planning Commission met on April 27, 2026, and reviewed the following applications:

Kwik Trip (Cases PP/SP/CUP2026-013): Kwik Trip, Inc. submitted an application for a Preliminary Plat, Site Plan Review, and Conditional Use Permit (CUP) to construct a 9,176 square foot convenience store with a 4,800 square foot 10-dispenser island fueling canopy and a 1,200 square foot commercial diesel 3-lane canopy at the corner of Manning Avenue and Highway 61. The proposed project would be located on approximately 9.8 acres of the 30.25-acre parcel of land. The Applicant has also had a Preliminary Plat prepared to dedicate right-of-way for Manning Avenue to the east and 114th Street to the north. No testimony was received at the public hearing. However, a neighboring property owner submitted written comments related to current traffic on Highway 61 and Manning Avenue, which are both state highways. The Planning Commission unanimously (7-to-0 vote) recommended approval. Final action will be taken by the City Council at their May 20, 2026, meeting.



Geneva Meadows 2nd Addition (Cases ZA/PP2026-010): Lennar requested approval of a Zoning Amendment and Preliminary Plat on one parcel totaling 13.15 acres of land zoned R-1, Residential, located south of 85th Street South and east of Geneva Avenue South at the St. Paul Park Border. The Developer is proposing to rezone the subject site to R-3, Single-Family Residential, and a Preliminary Plat to create 23 single family lots. At the public hearing, a couple residents had questions regarding deeding certain property to adjacent property owners as well as concerns about traffic and speeding in the area. On a unanimous 7-to-0 vote, the Planning Commission recommended approval. This proposed subdivision will be on the May 20 City Council agenda for final action.



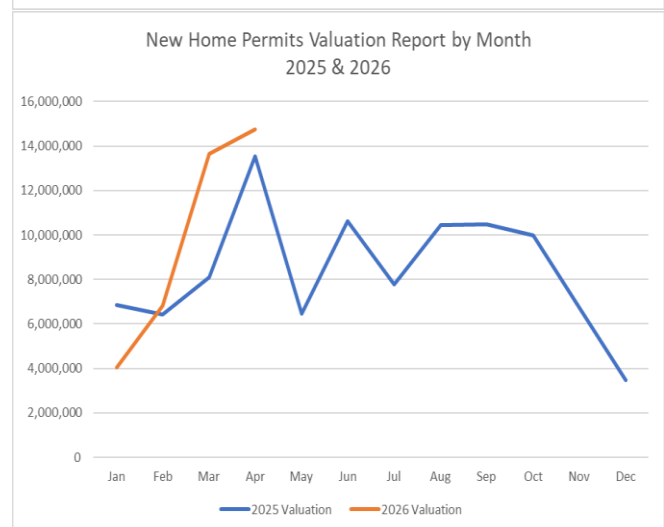
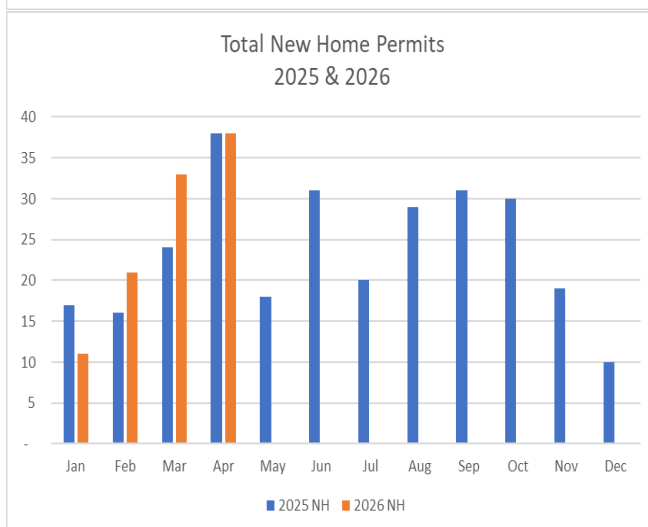
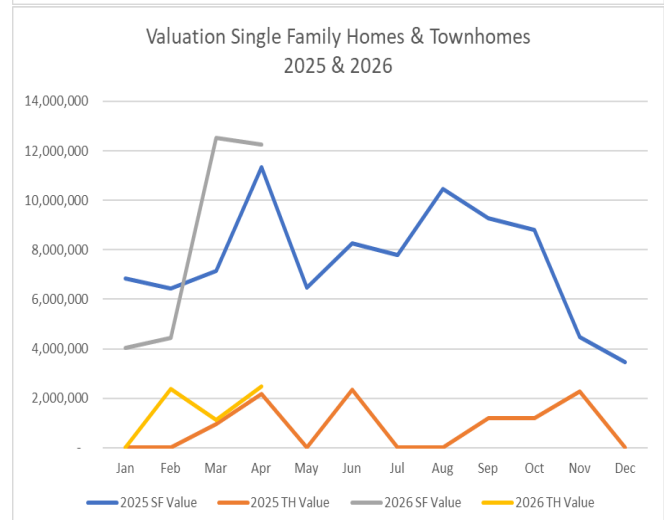
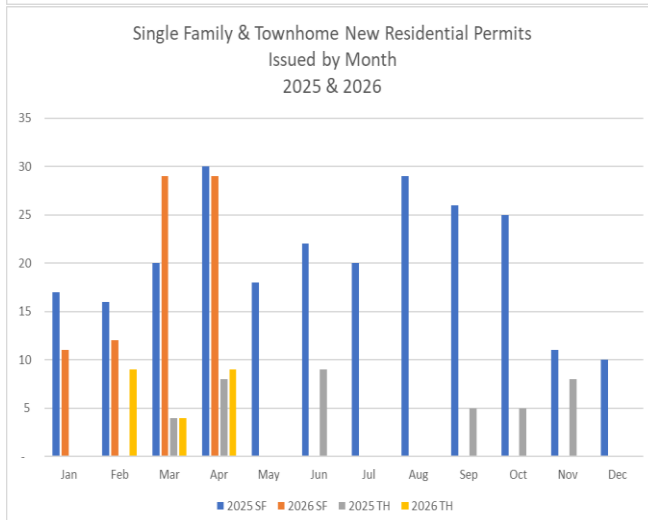
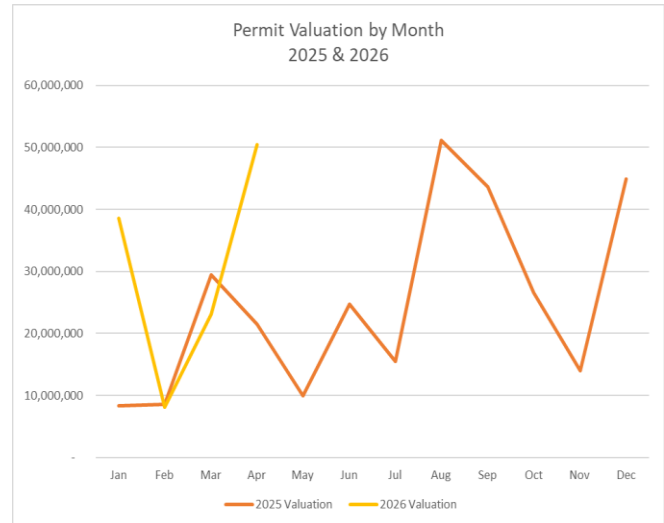
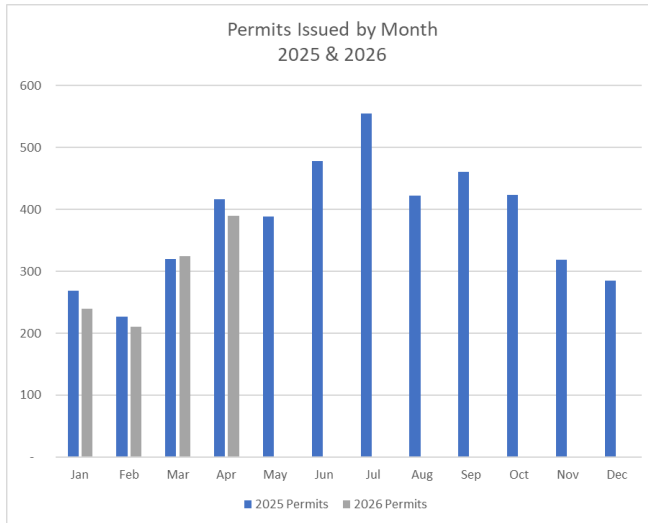
Hohenstein Lower Potency Hemp Edible Warehouse/Wholesale (Case #CUP2026-014): Karl Hohenstein, on behalf of Hohenstein Real Estate LLC, applied for a Conditional Use Permit (CUP) for a low potency hemp edible warehouse and wholesale operation at 8301 95th Street South. No residents participated in the public hearing. The Planning Commission unanimously (7-to-0 vote) recommended approval of the application. The City Council will take final action on this application at their meeting on May 6.



May 18, 2026, Planning Commission Meeting

The May 18, 2026, Planning Commission Meeting was cancelled due to lack of business.

Building Permit Graphs





Economic Development Authority Action Request

5.B.

Meeting Date	5/12/2026		
Department	Economic Development		
Agenda Category	Action Item		
Title	Country Inn & Suites — Facade Improvement Program Application		
Staff Recommendation	Approval of Facade Improvement Grant request for the Country Inn & Suites		
Budget Implication			
Attachments	<table border="1"><tr><td>1.</td><td>Country Inn and suites Facade Improvement Program Memo_5-12-26</td></tr></table>	1.	Country Inn and suites Facade Improvement Program Memo_5-12-26
1.	Country Inn and suites Facade Improvement Program Memo_5-12-26		

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: May 12, 2026

RE: Country Inn & Suites - 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.
- 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.

The program criteria was last updated by the EDA on April 14, 2026 to remove the priority map and clarify award amounts.

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 EDA has awarded twelve projects for a total of \$284,018 as of March 31, 2026. Of the twelve projects, ten have completed with two in-process of being completed.

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

2026 Façade Improvement Program Applications

The EDA approved an application from The Madison MN, LLC on January 13, 2026. **(In Process)**

8350 East Point Douglas Road (Yogi Cottage Grove LLC dba Country Inn & Suites)

The Country Inn & Suites is the only branded hotel in Cottage Grove, which is located 8350 East Point Douglas Road. New ownership has made additional interior investments in the hotel since property transferred ownership three years ago. The property owner is now investing in the exterior of the building. The proposed project includes the following improvements:

Eligible Costs		
Seal Exterior Brick to Stucco Joints	\$5,000.00	
Replace 6 Windows in Front Highway Side	\$7,200.00	
Paint Patio Supports (White)	\$1,500.00	
Paint Pole Sign (Black)	\$600.00	
Power Wash Building	\$1,500.00	Ineligible Expense
Paint Non Brick Stucco with Sealing Paint Labor	\$15,000.00	
Paint Supplies	\$10,000.00	
New Building Light LED	\$4,000.00	
Paint Gutters and Soffit	\$5,000.00	
Power Wash and Stain Pergola	\$1,500.00	Ineligible Expense
Boom Lift Rental	\$5,000.00	
Subtotal	\$56,300.00	
Total Eligible Expenses	\$53,300.00	
Award Amount	\$24,999	Maximum Award Amount

In total, the project is estimated at \$56,300, of which \$53,300 is eligible under the grant, and the applicant is requesting \$24,999. The business is providing a 53% match, which is more than the 50% match requirement. 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 Yogi Cottage Grove 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.
- Businesses and/or owners have not been previously awarded grant funding.

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 Yogi Cottage Grove, 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.

Attachments

Façade Improvement Program Application
Subsidy Agreement



Economic Development Authority Action Request

5.C.

Meeting Date	5/12/2026		
Department	Economic Development		
Agenda Category	Action Item		
Title	Voltas — Facade Improvement Program Application		
Staff Recommendation	1. Approval of Facade Improvement Grant request for Voltas. 2. No longer accept Facade Improvement applications for 2026. 2. Make a motion to direct staff to hold future applications until 2027 when additional funding will be made available for the façade improvement program.		
Budget Implication			
Attachments	<table><tr><td>1.</td><td>Voltas Facade Improvement Program Memo 5-12-26</td></tr></table>	1.	Voltas Facade Improvement Program Memo 5-12-26
1.	Voltas Facade Improvement Program Memo 5-12-26		

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: May 12, 2026

RE: Voltas - 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.
- 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.

The program criteria was last updated by the EDA on April 14, 2026 to remove the priority map and clarify award amounts.

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 EDA has awarded twelve projects for a total of \$284,018 as of March 31, 2026. Of the twelve projects, ten have completed with two in-process of being completed.

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

2026 Façade Improvement Program Applications

The EDA approved an application from The Madison MN, LLC on January 13, 2026. **(In Process)**

8200 97th Street South (Voltas Holdings LLC)

Voltas Holdings LLC is a new medical technology business in the industrial park, which is located at 8200 97th Street South. The business is making extensive renovations within the building to facilitate clean rooms for new medical technology entrepreneurs. The business is also investing in the exterior of the building. The proposed project includes the following improvements:

Eligible Costs			
Landscaping	\$9,247.67	\$2,311.92	Adjusted to 25% per eligibility requirements
Exterior Paint	\$3,450.00	\$3,500.00	
Building Sign	\$790.04	\$790.04	
Total	\$13,487.71	\$6,551.96	
Award Amount	50% of eligible costs	\$3,275.98	

In total, the project is estimated at \$13,488 with a total eligible cost of \$6,552 after reducing the landscaping eligibility. Total award for this project is \$3,276. Any awarded dollars would be based on a 50% match of actual costs incurred by the business.



Current Façade

Discussion

Based on the intent of the program, staff is recommending that the project submitted by Voltas Holdings LLC be awarded the grant amount of \$3,276. 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.
- Businesses and/or owners have not been previously awarded grant funding.

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.

Recommendation

1. Award Voltas Holdings, LLC an award letter for the submitted project with matching funds of up to \$3,276 for any eligible expenses as part of the City of Cottage Grove Façade Improvement Grant Program.
2. Make a motion to direct staff to hold future applications until 2027 when additional funding will be made available for the façade improvement program.

Attachments

Façade Improvement Program Application
Subsidy Agreement



Economic Development Authority Action Request

5.D.

Meeting Date 5/12/2026

Department Economic Development

Agenda Category Resolution

Title TIF Agreement Amendment for Roers Housing Project

Staff Recommendation Adopt Resolution# 2026-003.

Budget Implication

Attachments	1.	Roers TIF Amendment memo_5-12-2026
	2.	Ehlers Rent vs Income Memo 4-29-26
	3.	EDA Resolution 2026-003
	4.	Roers FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
	5.	FIRST AMENDMENT TO DECLARATION



TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: May 12, 2026

RE: Roers TIF Amendment

Background

Economic Development and Finance staff received a request by Roers (the “developer”) to amend the current TIF Agreement for the apartment project located at 6850 East Point Douglas Road South. The project is currently in-process. The EDA approved the current TIF Agreement on November 19, 2025. The amendment request from the developer is to include rent restrictions in addition to the income restrictions currently within the TIF Agreement. Roers’ request for defined rental restrictions is a requirement by the State of Minnesota when applying for affordable housing credits. Many communities include rental restrictions as well as the required income restrictions with Housing TIF projects.

The City’s financial advisor, Schane Rudlang of Ehlers, has prepared an additional memo for the board to further explain the request.

Recommendation

1. Adopt EDA resolution #2026-003.

MEMORANDUM

TO: Nate Carlson – Economic Development Director
FROM: Schane Rudlang – Ehlers
DATE: April 29, 2026
SUBJECT: Roers Workforce Housing Development – Rent and Income Levels

Purpose of Memorandum

The purpose of this memorandum is to clarify the distinction between income restrictions and rent restrictions under Tax Increment Financing ("TIF") statutes.

Statutory Requirements

Minnesota statutes governing housing TIF districts require that a specified percentage of residential units be occupied by households meeting defined income limits. Under Minnesota Statutes, section 469.174, subdivision 11, compliance is achieved through income-restricted occupancy at the required area median income ("AMI") thresholds. The statute does not independently require that rents for these units be restricted. As a result, a housing TIF district may be legally structured to comply with state law based solely on household income certification, provided all statutory income thresholds and compliance obligations are met.

Local Policy and Common Practice

While rent limits are not required by statute, it is not uncommon for cities to elect to impose rent restrictions in addition to income restrictions as a matter of policy; in other cases, rent restrictions are required due to other funding sources, such as tax credits. Rent restrictions are often used to provide additional certainty that income-restricted units remain affordable. In practice, actual rents developers charge, even without formal rent restrictions, are usually at or below the AMI rents if there were formal restrictions. Rent restrictions are implemented through development agreements and recorded declarations.

During Roers' application for the 4d1 tax class rate for the affordable units, Minnesota Housing requires rent restrictions to comply with the 4d1 statute (not the TIF statutes). The 4d1 class rate lowers property taxes on affordable units.

Cottage Grove Policy Decision and Amended Agreement

For the Roers project, the original development agreement imposed income restrictions consistent with Minnesota law but did not include explicit rent restrictions. Under the amended agreement now under consideration for approval, the project would include rent restrictions on the income-restricted units. This represents a City policy decision that goes beyond minimum statutory requirements, and the developer has agreed to the restrictions. The amended agreement and related declaration establish maximum allowable rents tied to the applicable percentage of area median income, ensuring consistency between tenant incomes and rents charged over the compliance period.

EDA RESOLUTION NO. 2026-003

**COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
COUNTY OF WASHINGTON
STATE OF MINNESOTA**

**RESOLUTION AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO
DEVELOPMENT ASSISTANCE AGREEMENT AND A FIRST AMENDMENT TO
DECLARATION OF RESTRICTIVE COVENANTS**

BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Cottage Grove Economic Development Authority (the “EDA”), as follows:

Section 1. Recitals.

1.01. The EDA has heretofore executed an Amended and Restated Contract for Private Development (the “Original Agreement”), between the EDA and Roers Cottage Grove Apartments LLC, a Delaware limited liability company (the “Developer”), stating the Developer’s responsibilities related to the construction of an approximately 144-unit affordable residential apartment building with approximately 134 underground parking stalls and 82 surface level parking stalls and related amenities (the “Project”);

1.02. In connection with the Project, the EDA and Developer entered into a Declaration of Restrictive Covenants (the “Original Declaration”) which set forth certain occupancy restrictions for the Project;

1.03. The Original Agreement and the Original Declaration imposed income-based occupancy restrictions on certain units in the Project; and

1.04. The Developer has requested that the EDA amend the Original Agreement pursuant to a First Amendment to Development Assistance Agreement (the “Amendment to Agreement”) and amend the Original Declaration pursuant to a First Amendment to Declaration of Restrictive Covenants (the “Amendment to Declaration” and together with the Amendment to Agreement, the “Amendments”) to incorporate rental restrictions.

Section 2. Approval of the Amendments.

2.01. The Board hereby approves the Amendments in substantially the form presented to the Board, together with any related documents necessary in connection therewith (collectively, the “Development Documents”) and hereby authorizes the President and Executive Director to execute the same on behalf of the EDA, and to carry out, on behalf of the EDA, the EDA’s rights and obligations thereunder.

2.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the EDA and by the officers authorized herein to execute said documents prior to

their execution, and said officers are hereby authorized to approve said changes on behalf of the EDA. The execution of any instrument by the appropriate officers of the EDA herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Development Documents, the officers and employees of the EDA are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the EDA to implement the Development Documents.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY, THIS 12th DAY OF MAY, 2026.

PRESIDENT

EXECUTIVE DIRECTOR

FIRST AMENDMENT TO AMENDED AND RESTATED CONTRACT FOR PRIVATE DEVELOPMENT

THIS FIRST AMENDMENT TO CONTRACT FOR PRIVATE DEVELOPMENT (the “Amendment”) is made effective May 12, 2026 (the “Effective Date”), by and between the Cottage Grove Economic Development Authority (the “EDA”), a public body corporate and politic organized and existing under the laws of the State of Minnesota and Roers Cottage Grove Apartments LLC, a Delaware limited liability company (the “Developer”).

RECITALS

WHEREAS, the EDA and the Developer executed an Amended and Restated Contract for Private Development, dated as of November 19, 2025 and recorded on December 1, 2025 with the Office of the County Recorder Washington County, Minnesota as Document No. 440231 and on December 1, 2025 with the Office of the Registrar of Titles Washington County, Minnesota as Document No. 1297479 (the “Original Agreement” and, together with this Amendment, the “Agreement”), providing for the redevelopment of certain property located within the City of Cottage Grove, Minnesota;

WHEREAS, all capitalized terms in this Amendment shall have the meanings ascribed to them in the Original Agreement;

WHEREAS, the Original Agreement imposed income-based occupancy restrictions on certain units in the Project, but did not impose separate rent restrictions on those units; and

WHEREAS, the Developer has requested that the EDA amend the Original Agreement, as provided in this Amendment, to incorporate rent restrictions.

AGREEMENT

In consideration of the mutual covenants of the parties set out in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Affordability Requirements. Section 4.6 of the Original Agreement shall be deleted in its entirety and replaced with the following:

Section 4.6 Declaration Regarding Rent and Income Restrictions. The Developer agrees that the Minimum Improvements will be subject to the following tenant income restrictions:

(a) The Developer will cause at least 29 units (20.1 percent) of the Rental Housing Units (the “50% AMI Units”) in the Minimum Improvements to be occupied by Qualifying Tenants whose household income is 50 percent or less of the area median gross income, as further described in the Declaration attached hereto as Exhibit F (“Median Income”), and at least another eight units (5.6 percent) of the Rental Housing Units (the “60% AMI Units”) to be occupied by Qualifying Tenants whose household income is 60 percent or less of Median Income. The Rental Housing Units which

will be made available to Qualifying Tenants will include 13 one-bedroom units, 13 two-bedroom units and 11 three-bedroom units. Prior to any payment under the Note, the Developer will deliver the executed Declaration to the EDA in recordable form. The Declaration shall be in effect for a minimum of 26 years from the date of issuance of Certificate of Completion for the Minimum Improvements.

(b) The maximum monthly rental price for the 60% AMI Units shall include rent and utility costs and shall not exceed thirty percent (30%) of the income level that is sixty percent (60%) of Median Income. The maximum monthly rental price for the 50% AMI Units shall include rent and utility costs and shall not exceed thirty percent (30%) of the income level that is fifty percent (50%) of Median Income.

(c) As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant will be required annually to sign and deliver to the Developer a certification in which the prospective Qualifying Tenant certifies as to his or her income. In addition, the person will be required to provide whatever other information, documents, or certifications are reasonably deemed necessary by the EDA's Executive Director to substantiate his or her income, on an ongoing annual basis, and to verify that the tenant continues to be a Qualifying Tenant. Certifications will be maintained on file by the Developer with respect to each Qualifying Tenant who resides in a Rental Housing Unit or resided therein during the immediately preceding calendar year.

(d) The form of lease to be utilized by the Developer in renting any Rental Housing Unit to any person who is intended to be a Qualifying Tenant must provide for termination of the lease and consent by the person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to income.

(e) On or before April 15 of each year during the term of the Declaration, commencing on the first April 15 after issuance of the Certificate of Completion for the Minimum Improvements, the Developer must submit evidence of tenant incomes, showing that tenants of at least 37 of the Rental Housing Units meet the income restrictions set forth in the Declaration or that such Rental Housing Units are being held open for tenants meeting the income restrictions set forth in the Declaration.

(f) While the covenants in this section 4.6 are in effect, the EDA and its representatives will have the right at all reasonable times, and after reasonable notice, to inspect and to examine and copy all books and records of the Developer and its successors and assigns relating to the tenant income covenants described in this section 4.6 and in the Declaration.

(g) The Developer acknowledges that the primary purpose for requiring compliance by the Developer with the rental restrictions provided in this Agreement and the Declaration is to ensure compliance of the Minimum Improvements with the income covenants required under the TIF Act for a housing tax increment financing district. If prior to the Termination Date the EDA reasonably determines, based on the reports submitted by the Developer or otherwise that the residential portion of the project no longer meets the requirements of a housing tax increment financing district, such event will be deemed an Event of Default by the Developer under this Agreement; provided, however, that the EDA may not terminate this Agreement so long as the determination is being contested in good faith and has not been finally adjudicated.

(g) The Developer covenants and agrees that the Developer will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Minimum Improvements prior to the Termination Date that the transferee assume in writing, in a form acceptable to the EDA, all duties and obligations of the Developer under this section 4.6 and the Declaration regarding income restrictions and verification of Qualified Tenants by means of an assumption agreement acceptable to the EDA. The Developer will deliver an executed copy of the assumption agreement to the EDA prior to the transfer.

2. Declaration. The Declaration attached as Exhibit F of the Original Agreement is amended as set forth in that certain First Amendment to Declaration of Restrictive Covenants, executed as of date hereof, which is incorporated herein by reference. All references to the Declaration in the Agreement shall mean the Declaration of Restrictive Covenants as amended by the First Amendment to Declaration of Restrictive Covenants.

3. No Further Amendment. Except as amended above, all other terms and conditions of the Original Agreement shall remain in full force and effect. Upon execution, the Developer shall reimburse the Authority for all out-of-pocket costs incurred by the Authority in connection with negotiating, drafting and approval of this First Amendment.

4. Effective Date. The amendments made to the Original Agreement, as amended by this Amendment, shall be effective as of the date hereof.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

**COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Its: President

By: _____
Its: Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2026,
by _____ and _____, the President and Executive Director of the
Cottage Grove Economic Development Authority, a public body corporate and politic under the
laws of the State of Minnesota, on behalf of the EDA.

Notary Public

**ROERS COTTAGE GROVE APARTMENTS
LLC, a limited liability company under the laws
of Delaware**

By: Roers Cottage Grove Apartments Manager
LLC, a Minnesota limited liability company
Its: Manager

By: Roers Companies Project Holdings LLC, a
Minnesota limited liability company
Its: Manager

By: _____

Name: Shane E. LaFave

Its: Chief Operating Officer

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2026, by
Shane E. LaFave, the Chief Operating Officer of Roers Companies Project Holdings LLC, a
Minnesota limited liability company, the Manager of Roers Cottage Grove Apartments Manager
LLC, a Minnesota limited liability company, the Manager of Roers Cottage Grove Apartments
LLC, a Delaware limited liability company, on behalf of the company.

Notary Public

42635793v2

FIRST AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS

THIS FIRST AMENDMENT TO DECLARATION OF RESTRICTIVE COVENANTS (the “Amendment”) is made effective May __, 2026 (the “Effective Date”), by and between the Cottage Grove Economic Development Authority (the “EDA”), a public body corporate and politic organized and existing under the laws of the State of Minnesota and Roers Cottage Grove Apartments LLC, a Delaware limited liability company (the “Developer”).

RECITALS

WHEREAS, on January __, 2024, the EDA and the Developer entered into that certain Declaration of Restrictive Covenants (the “Original Declaration” and, together with this Amendment, the “Declaration”) and, whereby the EDA and Developer set forth certain occupancy restrictions for the Project;

WHEREAS, the Original Declaration was recorded on January __, 2024 as Document No. _____ in the Office of the Registrar of Titles of Washington County, Minnesota and as Document No. _____ in the Office of the County Recorder of Washington County, Minnesota for the property described in **Exhibit A** attached hereto; and

WHEREAS, all capitalized terms in this Amendment shall have the meanings ascribed to them in the Original Declaration;

WHEREAS, the Original Declaration imposed income-based occupancy restrictions on certain units in the Project, but did not impose separate rent restrictions on those units; and

WHEREAS, the Developer has requested that the EDA amend the Original Declaration, as provided in this Amendment, to incorporate rent restrictions.

AGREEMENT

In consideration of the mutual covenants of the parties set out in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Section 3 of the Original Declaration shall be deleted in its entirety and replaced with the following:

3. Occupancy Restrictions. The Owner represents, warrants, and covenants that:

(a) Qualifying Tenants. Throughout the Qualified Project Period, 37 units (25.7 percent) of the Rental Housing Units shall be administered in accordance with 42 USC Section 3607(b) and Minnesota Statutes, Section 363A.21, subdivision 2 and shall be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants. "Qualifying Tenants" means, with respect to eight Rental Housing Units (5.6 percent) (the "60% AMI Units"), those persons and families who are determined from time to time by the Developer to have combined adjusted income that does not exceed 60% of the median income for the standard metropolitan statistical area which includes Cottage Grove, Minnesota, as that figure is determined and announced from time to time by HUD, as adjusted for family size (the "Median Income"), and with respect to an additional 29 Rental Housing Units (20.1 percent) (the "50% AMI Units"), those persons and families who are determined from time to time by the Developer to have combined adjusted income that does not exceed 50% of the Median Income for the applicable calendar year. For purposes of this definition, the occupants of a Rental Housing Unit will not be deemed to be Qualifying Tenants if all the occupants of such Rental Housing Unit at any time are "students," as defined in Section 152(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), not entitled to an exemption under the Code. The determination of whether an individual or family is a Qualifying Tenant will be made at the time the tenancy commences and on an ongoing basis thereafter, determined at least annually. If during their tenancy a Qualifying Tenant's income exceeds 140% of the Median Income, the next available Rental Housing Unit (determined in accordance with the Code and applicable regulations) (the "Next Available Unit Rule") must be leased to a Qualifying Tenant or held vacant and available for occupancy by a Qualifying Tenant. If the Next Available Unit Rule is violated, the Rental Housing Unit will not continue to be treated as a Qualifying Unit.

(b) Rental Price. The maximum monthly rental price for the 60% AMI Units shall include rent and utility costs and shall not exceed thirty percent (30%) of the income level that is sixty percent (60%) of Median Income. The maximum monthly rental price for the 50% AMI Units shall include rent and utility costs and shall not exceed thirty percent (30%) of the income level that is fifty percent (50%) of Median Income.

(c) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant will be required annually to sign and deliver to the Developer a Certification of Tenant Eligibility substantially in the form attached as Exhibit B hereto, or in any other form as may be reasonably approved by the EDA (the "Eligibility Certification"), in which the prospective Qualifying Tenant certifies as to having a qualifying low or moderate income. The Qualifying Tenant will be required to provide whatever other information, documents, or certifications are deemed necessary by the EDA to substantiate the Eligibility Certification, on an ongoing annual basis, and to verify that the tenant continues to be a Qualifying Tenant within the meaning of Section 3(a) hereof. Eligibility Certifications will be maintained for the duration of the Qualified Project Period on file by the Developer with respect to each Qualifying Tenant who resides in a Rental Housing Unit or resided therein during the Qualified Project Period.

(d) Lease. The form of lease to be utilized by the Developer in renting any Rental Housing Units in the Project to any person who is intended to be a Qualifying Tenant will provide for termination of the lease and consent by the person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to the Eligibility Certification.

(e) Annual Report. The Developer covenants and agrees that during the term of this Declaration, it will prepare and submit to the City on or before July 1 of each year of the Qualified Project Period, a certificate substantially in the form of Exhibit C attached hereto, executed by the Developer, (a) identifying the tenancies and the dates of occupancy (or vacancy) for all Qualifying Tenants in the Project, including the number and percentage of the Rental Housing Units of the Project which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding the date of the certificate; (b) describing all transfers or other changes in ownership of the Project or any interest therein; and (c) stating, that to the best knowledge of the person executing the certificate after due inquiry, all the Rental Housing Units were rented or available for rental on a continuous basis during the year to members of the general public and that the Developer was not otherwise in default under this Declaration during the year.

(f) Notice of Non-Compliance. The Developer will immediately notify the EDA if at any time during the term of this Declaration fewer than 37 of the Rental Housing Units in the Project are occupied or available for occupancy by Qualifying Tenants as required by the terms of this Declaration. The 37 Rental Housing Units reserved for Qualifying Tenants will include 13 one-bedroom units, 13 two-bedroom units and 11 three-bedroom units.

2. Exhibits. Exhibits B and C to the Original Declaration are replaced with Exhibits B and C attached hereto.

3. No further amendment. Except as amended above, all other terms and conditions of the Original Declaration shall remain in full force and effect.

4. Effective Date. The amendments made to the Original Declaration, as amended by this Amendment, shall be effective as of the date hereof.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

**COTTAGE GROVE ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Its: President

By: _____
Its: Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this ____ day of _____, 2026,
by _____ and _____, the President and Executive Director of the
Cottage Grove Economic Development Authority, a public body corporate and politic under the
laws of the State of Minnesota, on behalf of the EDA.

Notary Public

EXHIBIT A
Legal Description

The Property is legally described as follows:

Lots 1 and 2, Block 1, Camels Hump Addition, Washington County, Minnesota

EXHIBIT B TO DECLARATION OF RESTRICTIVE COVENANTS

Certification of Tenant Eligibility

TENANT INCOME CERTIFICATION ☐ Initial Certification ☐ Recertification ☐ Other _____		Effective Date: _____ Move-in Date: _____ (MM/DD/YY): _____	
PART I. DEVELOPMENT DATA			
Property Name: _____ Apartments Address: _____, Cottage Grove, Minnesota		County: Washington Unit Number: _____	BIN #: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION						
HH Br #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)				
HH Br #	(A) Employment or Wages	(B) Soc. Security / Pensions	(C) Public Assistance	(D) Other Income
TOTAL	\$	\$	\$	\$
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$

PART IV. INCOME FROM ASSETS				
HH Mbr#	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$
Enter Column (H) Total if over \$5,000 \$ _____ x 2.00 % = (J) Imputed Income				\$
Enter the greater of the total column I, or J: imputed income TOTAL INCOME FROM ASSETS (K)				\$
(L) Total Annual Household Income from all sources [Add (E) + (K)]				\$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____ Signature	_____ (Date)	_____ Signature	_____ (Date)
_____ Signature	_____ (Date)	_____ Signature	_____ (Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY			
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES From Item (L) on page 1	\$	Household Meets Income Restriction at: ☐ 110% ☐ 80% ☐ 60% ☐ 50% ☐ 40% ☐ 30% ☐ ____%	RECERTIFICATION ONLY: Current Income Limit x 140% \$ _____ Household income exceeds 140% at recertification: ☐ Yes ☐ No Household Size at Move-in: _____
Current Income Limit per Family Size:	\$ _____		
Household Income at Move-in	\$ _____		

PART VI. RENT			
Tenant Paid Rent	\$ _____	Rent Assistance:	\$ _____
Utility Allowance	\$ _____	Other non-optional charges:	\$ _____
GROSS RENT FOR UNIT:			
Tenant paid rent plus Utility Allowance and other non-optional charges	\$		
Maximum Rent Limit for this unit:	\$ _____	Unit Meets Rent Restriction at:	☐ 30% ☐ 50% ☐ 40% ☐ 60% ☐ 80% ☐ ____%

PART VII. STUDENT STATUS		
ARE ALL OCCUPANTS FULL-TIME STUDENTS? ☐ yes ☐ no	If yes, enter student explanation** (also attach documentation) Enter 1-4	Student explanation: 1. TANF assistance 2. Job training program 3. Single parent/dependent child 4. Married/joint return<u>*</u>
<u>*Exception for married/joint return is the only exception available for units necessary to qualify tax-exempt bonds.</u>		

PART VIII. PROGRAM TYPE				
Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification				
a. Tax Credit ☐	b. HOME ☐	c. Tax Exempt ☐	d. AHDP ☐	e. _____ (Name of Program)
See Part V above.	<i>Income Status</i> ☐ ≤ 50% AMGI ☐ ≤ 60% AMGI ☐ ≤ 80% AMGI ☐ ≤ OI **	<i>Income Status</i> ☐ 50% AMGI ☐ 60% AMGI ☐ 80% AMGI ☐ OI **	<i>Income Status</i> ☐ ≤ 50% AMGI ☐ ≤ 80% AMGI ☐ ≤ OI **	<i>Income Status</i> ☐ _____ ☐ _____ ☐ ≤ OI **
** Upon recertification, household was determined over income (OI) according to eligibility requirements of the program(s) marked above.				
SIGNATURE OF OWNER / REPRESENTATIVE				

SIGNATURE OF OWNER / REPRESENTATIVE

Document2 Include Draft Include Date Include Time

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I – Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date	Enter the date the tenant has or will take occupancy of the unit.
Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
Address	Enter the unit number.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.

Part II – Household Composition

List all occupants of the unit. State each household member's relationship to the head of the household by using one of the following coded definitions:

H	Head of household	S	Spouse
A	Adult co-tenant	O	Other family member
C	Child	F	Foster child
L	Live-in caretaker	N	None of the above

Enter the date of birth, student status, and Social Security number or alien registration number for each occupant.

If there are more than seven occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III – Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the 12 months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.)
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D) above. Enter this amount.

Part IV – Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the 12 months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).

TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

Row (K) Enter the Greater of the total in Column (I) or (J)

Row (L) Total Annual Household Income from All Sources Add (E) and (K) and enter the total

EXHIBIT C TO DECLARATION OF RESTRICTIVE COVENANTS

Certificate of Continuing Program Compliance

Date: _____

The following information with respect to the Project located at _____, Cottage Grove, Minnesota (the "Project"), is being provided by ROERS COTTAGE GROVE APARTMENTS (the "Owner") to the COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic duly organized and existing under the laws of the State of Minnesota (the "EDA"), pursuant to that certain Declaration of Restrictive Covenants, dated _____, 20__, as amended by that First Amendment to Declaration of Restrictive Covenants, dated _____, 2026 (as amended, the "Declaration"). Capitalized terms herein have the definitions provided in the Declaration. With respect to the Project:

(A) The total number of residential units which are available for occupancy is 144. The total number of these units occupied is ____.

(B) The following Rental Housing Units (identified by unit number) are currently occupied by "Qualifying Tenants" as the term is defined in the Declaration (for a total of 37 units).

One bedroom apartment:

Two bedroom apartment:

Three bedroom apartment:

(C) The following Rental Housing Units which are included in (B) above, have been re-designated as Rental Housing Units for Qualifying Tenants since _____, 20__ the date on which the last "Certificate of Continuing Program Compliance" was filed with the EDA by the Owner

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(D) The following residential units are considered to be occupied by “Qualifying Tenants”, as that term is defined in the Declaration based on the information set forth below (for a total of at least 37 units):

	<i>Unit Number</i>	<i>Last Name of Tenant</i>	<i>Number of Persons Residing in the Unit</i>	<i>Number of Bedrooms</i>	<i>Total Adjusted Gross Income</i>	<i>Income Qualification Level (50% or 60%)</i>	<i>Rent</i>	<i>Date of Initial Occupancy</i>	<i>Date Vacated and Held for Qualifying Tenants, if Applicable</i>
1									
2									
3									
4									
5									
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(D) The Owner has obtained a “Certification of Tenant Eligibility,” in the form provided as EXHIBIT B to the Declaration, from each Qualifying Tenant named in (D) above, and each such Certificate is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent “Certification of Tenant Eligibility” for each Tenant named in (D) above who signed such a Certification since _____, 20____, the date on which the last “Certificate of Continuing Program Compliance” was filed with the EDA by the Owner.

(E) In renting the Rental Housing Units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the occupied residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least 12 months.

(F) The information provided in this “Certificate of Continuing Program Compliance” is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any “Certification of Tenant Eligibility” obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(G) The rental levels for each Qualifying Tenant comply with the maximum permitted under the Declaration.

(H) The Owner certifies that as of the date hereof at least 37 units of the residential dwelling units in the Project are occupied or held for occupancy by Qualifying Tenants, as defined and provided in the Declaration.

(I) The Project is in continuing compliance with the Declaration.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner, on _____, 20__.

ROERS COTTAGE GROVE APARTMENTS LLC

By: _____
Its: _____

42635670v2



Economic Development Authority Action Request

5.E.

Meeting Date 5/12/2026

Department Economic Development

Agenda Category Action Item

Title County Road 19A & 100th Street Realignment – Plat Preparation

Staff Recommendation Authorize the use of EDA Trust funds for the preparation of a plat for the CR 19A/100th Street project corridor and surrounding 3M owned parcels.

Budget Implication

Attachments

1.	County 19A and 100th Street Plat
----	----------------------------------



To: Economic Development Authority
Jennifer Levitt, City Administrator

From: Paul Sponholz, PE, City Engineer

Date: May 6, 2026

Re: County Road 19A & 100th Street Realignment – Plat Preparation

Background

In 2019, Washington County began the Southwest Arterial Study to develop a future arterial roadway in the southwestern area of the County, within the City of Cottage Grove. The primary driver of this study was to address the lack of arterial roadways in this area of the County.

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

Discussion

This project has received \$13.667 million in State and Federal grants to date, which have set deadlines to be used for construction. \$12 million of the grant funds need to be committed to construction by 2027, otherwise they will be lost. To ensure these deadlines are met, a Memorandum of Understanding (MOU) between Washington County and the City was completed in January 2025. In this MOU, among other things, Washington County committed to lead the design work and the City committed to lead the coordination on right-of-way acquisition and right-of-way platting effort.

Washington County has started the final design phase of this project and is completing details on the final alignment to determine right-of-way acquisition needs for the project. Most of the land for the project is owned by 3M Corporation (3M). They are willing partners in the project and desire to plat the surrounding land they own to prepare for future development. The project design is far enough along so the City can start preparing a plat of the project area and surrounding 3M land.

3M owns approximately 720 acres of land in about 14 to 16 parcels that would be incorporated into the plat. The plat would include the right-of-way for the project, including the realigned 100th Street and realigned CR 19A, a frontage road connection, and the realignment of Innovation Road and Miller Road.

The City has a Master Services Agreement with Bolton & Menk, Inc. to provide professional engineering services for the city. They are familiar with the project and can complete the plat.

The estimated cost to prepare the plat is \$75,000. Staff desires to use EDA Trust funds to have Bolton & Menk provide professional engineering services to prepare the plat.

The plat work would begin immediately and be completed by Fall 2026. The project is expected to start construction in late 2027.

Recommendation

Authorize the use of EDA Trust funds for the preparation of a plat for the CR 19A/100th Street project corridor and surrounding 3M owned parcels.



Economic Development Authority Action Request

8.A.

Meeting Date 5/12/2026

Department Economic Development

Agenda Category Presentation

Title Innovation Village and 100th Street Extension Update

Staff Recommendation Receive the Workshop Presentation.

Budget Implication

Attachments	1.	EDA Work Shop item_Innovation Village-100th Street expansion update_5-12-2026
	2.	Innovation Village_Draft 1-21-25

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: May 12, 2026

RE: EDA Workshop Item #2 – Innovation Village and 100th Street Extension Update

Background

Economic Development staff have prepared a presentation to the EDA Board regarding the status of the 100th Street South extension project as well as future development opportunities for the Innovation Village, which is otherwise known as the Langdon area. The latest small area plan for Innovation Village is attached to this staff report.



100th Street South Extension

Staff continue to develop the road design for the extension of 100th Street South. Additionally, staff are seeking other financial resources such as grants and state bonds to pay for the cost of the project. Staff continue to be in cooperation with the primary property owner, 3M, regarding the status of the project. Staff estimate that the project could begin as early as next spring in 2027.



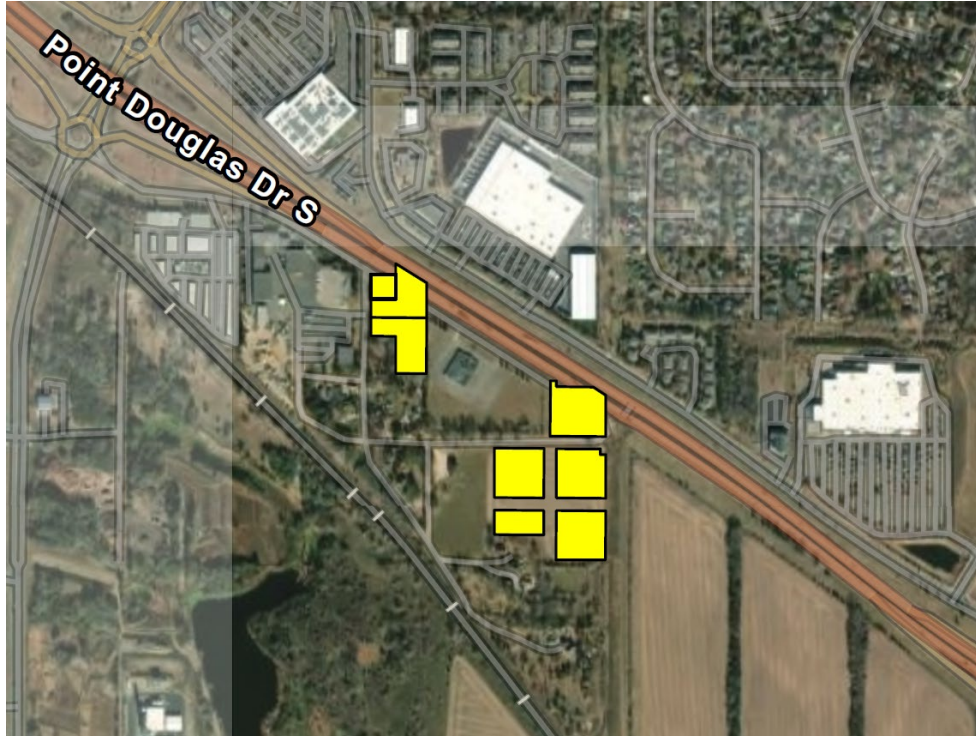
Majestic Ballroom Update

The City Council directed staff to establish a process to demolish the existing majestic ballroom property and execute this process in coordination with the current property owner. Staff are in contact with the property owner, and staff have conducted a blight analysis to set up a future redevelopment TIF district for the site. Staff are also drafting an assessment waiver to secure the future reimbursement for the demolition of the building. A feasibility and cost estimate study is also in-process to evaluate the infrastructure needed to prepare this site for future development.



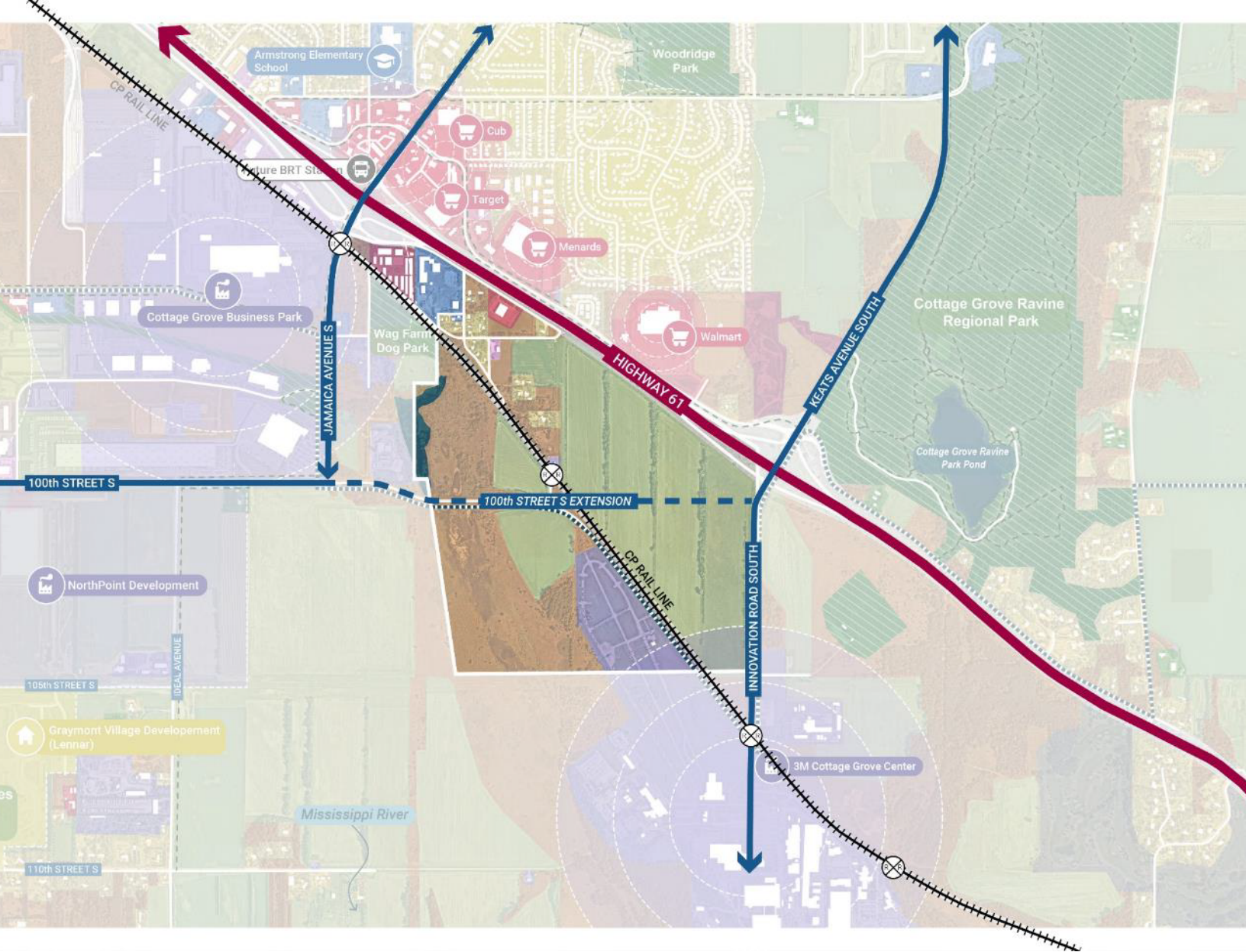
EDA Owned Properties within Innovation Village/Langdon Area

The EDA owns roughly 12.5 acres of land within the Innovation Village plan. The land surrounds the majestic ballroom properties.



Discussion

The goal of the meeting is to show the big picture of what is happening in the Langdon area and start to set the stage for growth and redevelopment of the area. The discussion will also center around staging of infrastructure, utilities, building demo and future land acquisition.



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan



Draft | January 21, 2025

Acknowledgements

Thank you to the City of Cottage Grove staff, decision-makers, advisory boards and members of the public who provided direction and support throughout the process.



Oakwood Park

Mayor & City Council

Myron Bailey, Mayor
Justin Olsen, Councilmember
Dave Thiede, Councilmember
Monique Garza, Councilmember
Dave Clausen, Councilmember

City of Cottage Grove

Jennifer Levitt, City Administrator
Emily Schmitz, Community Development Director
Riley Rooney, Associate Planner
Samantha Pierret, Senior Planner
Ryan Burfeind, Public Works Director
Amanda Meyer, City Engineer
Gretchen Larson, Economic Development Director
Zac Dockter, Parks & Recreation Director

Project Consultant: Stantec

Beth Elliott, Project Manager
Kristin Baldonado, Urban Planner
Joe Polacek, Urban Planner
Tanuja Dhanasekaran, Urban Designer
Tom Leighton, Economic Development Specialist
Zoey Sai, Economic Analyst
Dave Sanocki, Civil Engineer
Joel Mann, Transportation Planner

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INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan



Executive Summary

Vision Statement: Innovation Village offers a vibrant and dynamic neighborhood where residents can seamlessly blend living, working, and playing experiences in Cottage Grove. Our unique environment fosters synergy with nature and Cottage Grove's history, enhancing a sense of belonging.

This vision can be implemented through five themes that encompass the future values of Innovation Village.

1. Comfortable and connected walks
2. Variety of living options
3. Economic differentiation and growth
4. Distinctive spaces and places
5. Environmental stewardship

Why Plan? Washington County will be constructing an extension of 100th Street from Jamaica Avenue to Innovation Road, and the City of Cottage Grove will be extending a local road and utilities to the area. This plan anticipates increased development pressure shortly after this infrastructure is operational, expected in 2028.

Factors Driving the Innovation Village Concept Plan:

- ✓ An existing neighborhood called Langdon Village has a small town, historic character of buildings and roads that is valuable to maintain.
- ✓ Regional projections for 2050 include more than 13,000 more residents and 6,000 more housing units in Cottage Grove.
- ✓ While the City of Cottage Grove owns some key properties, most of the land is owned by 3M.
- ✓ Cottage Grove has less apartment development than comparable suburban communities.
- ✓ The Study Area is separated from trails and natural amenities by Highway 61 and a railroad corridor.

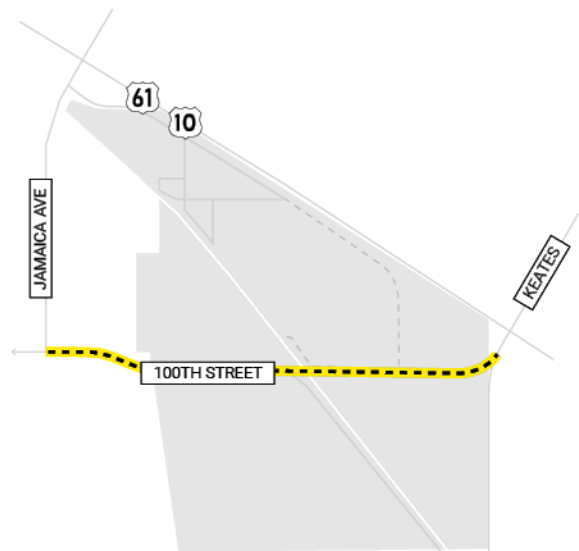
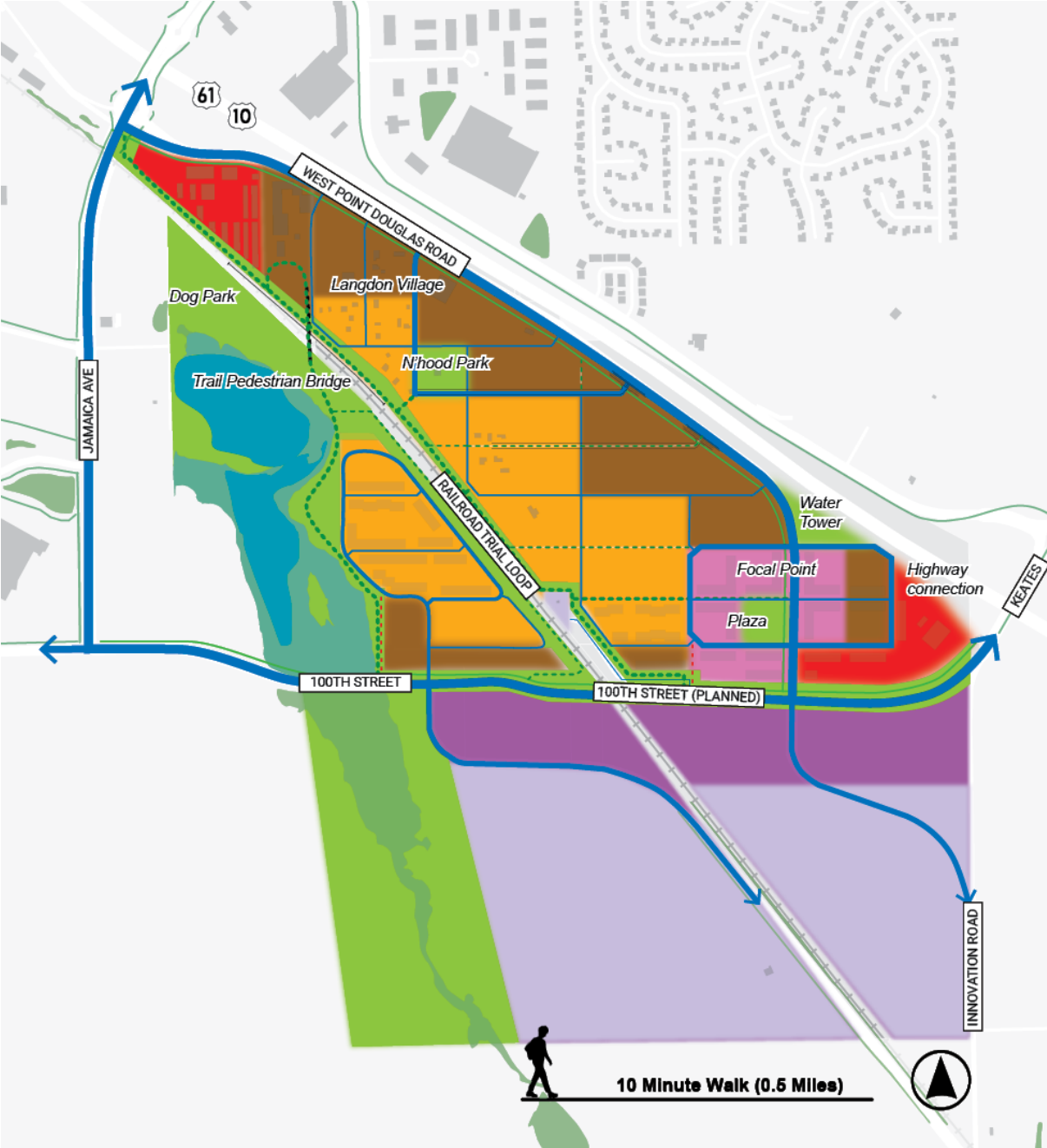


Figure 1: 100th Street extension through Study Area

Figure 2: Concept Plan



Legend

Mobility Network

- Street (existing, planned)
- Concept street
- Trail (existing, planned)
- Concept trail

Land Use

- Mixed Use
- High Density
- Medium Density
- Park
- Industrial
- Highway Commercial

Environment

- Waterbodies
- Wetlands
- Parks, open space

INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Concept Plan Priorities To realize the vision for Innovation Village, the Concept Plan is specifically designed to offer a highly amenitized residential neighborhood. It takes its cues from the physical characteristics and historic resources of Langdon Village and then expands diverse housing opportunities to meet market demands. Situated along Highway 61, it is one of the last primarily undeveloped areas of the city that has direct access to the highway and future bus rapid transit as well as proximity to existing trails, retail, and jobs. The following priorities have been included in the Concept Plan for this area:

- **100th Street Expansion:** 100th Street and West Point Douglas Road will greatly improve connectivity to and through Innovation Village. A network of local streets will make connections safe and comfortable within the neighborhood.
- **Housing:** Much of Innovation Village is focused on housing. It is an appropriate area to supply housing types that are in-demand, satisfy regional goals, and be relatively non-disruptive to existing neighborhoods. Higher density housing can line the highway and West Point Douglas Road with a mixed-use area in the heart of the Study Area, or the “Focal Point”. Areas further from transportation corridors and the Focal Point can support a mix of medium to high density housing that is built close to sidewalks with parking hidden within sites.
- **Mixed-Use Center:** The Focal Point establishes Innovation Village as a desirable place and increases demand for surrounding walkable housing. The Focal Point includes a public space for the community to gather. As the center of activity, it will accommodate neighborhood supporting retail in small concentrations.
- **Street Network:** Extending the existing street network of Langdon Village creates a dense network of connections supportive of walkability. The frequently spaced and narrow streets encourage slower travel speeds that support safety and comfort within a dense neighborhood.
- **Innovation Trail Loop:** The central transportation spine of Innovation Village is not a road but a trail. Lining both sides of the railroad tracks creates both a recreational amenity and transportation connection from an existing barrier. The trail connects both sides of the railroad tracks by the planned 100th Street overpass. A proposed trail pedestrian bridge creates a loop and connects the north side of Innovation Village with a popular dog park and an existing natural wetland.
- **Parks:** Existing and planned assets can provide park-like experiences and enhance further park investment. The railroad corridor, planned 100th Street extension, and natural wetland each provide an opportunity to line with landscaped trails. A plaza at the Focal Point creates a public gathering place with public art and programming. A neighborhood park near Langdon Village creates a more intimate, local-serving open space. Both of these parks connected by trails create a network of parks and open space that in sum are more valuable than their parts.

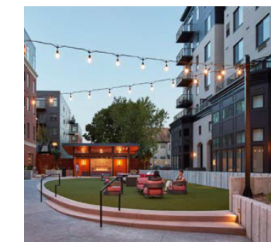


Figure 3: Visionary spaces

1 Introduction

1.1 Purpose

What is a Small Area Plan?

A Small Area Plan (the Plan) is a 10- to 20-year plan for a specific geographic area that sets a direction for topics including housing, jobs, parks and open space, transportation and mobility, and community design. It is both a pragmatic, step by step action plan intended to accomplish specific outcomes and an aspirational vision for an area.

The Plan identifies how the area will grow and change, and it is used by City staff and elected officials to guide decisions on issues like zoning, infrastructure investments, protections for the environment, economic development, and roadway and trail improvements. Small area plans also give current and future property owners and businesses confidence that their own private property investments align with a broader approved vision.

Why this Plan, and Why Now?

The bedrock purpose of a Small Area Plan is to protect public and private investment over time.

The [Southwest Arterial Study \(2021\)](#) analyzing the feasibility and alignment options for a Washington County roadway connection from Highway 61 to Lower Grey Cloud Island was completed, which determined a County Highway route from the interchange at TH 61 and CR19A (Innovation Road) to the Lower Grey Cloud Island via a new connection as shown in Figure 1. Preliminary engineering and public involvement for this project took place in 2022 and 2023, with road construction anticipated to begin in 2027.

This County roadway project and the City's concurrently planned extension of utilities through this area will open several hundred acres of land that was previously undevelopable or less suitable for development. In 2024, the City of Cottage Grove set out to complete this Small Area Plan to guide how the area should develop, through both public and private investments alike.

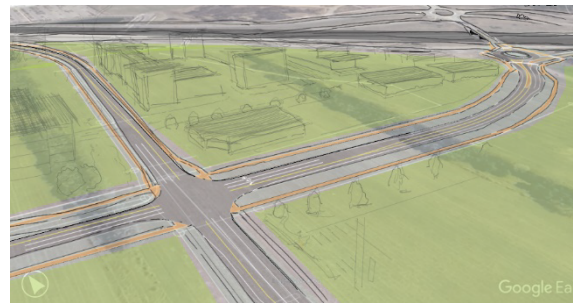


Figure 4: 100th Street extension and connection to West Point Douglas Road and Highway 61

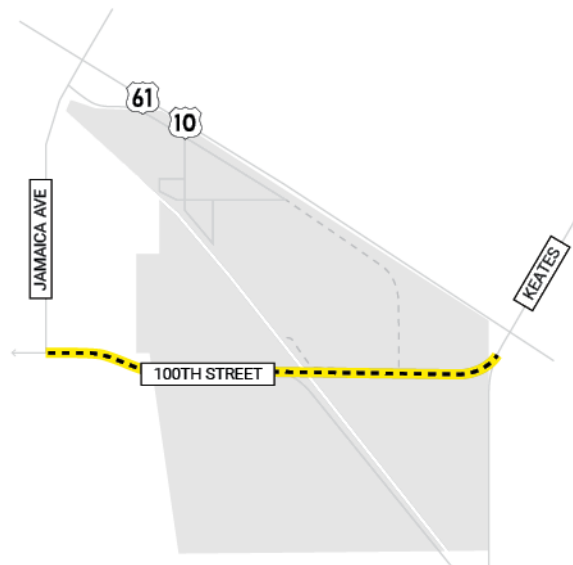


Figure 5: 100th Street extension

How Will the City Implement this Plan?

There are generally two ways a municipality like the City of Cottage Grove can implement a Small Area Plan. Both ways assume the City uses existing policy, regulatory, and public financing levers to see it realized over time.

The City may act **proactively** by:

- Making decisions for the future of publicly owned sites.
- Acquiring additional land at fair market value for public improvements.
- Programming streets, trails, parks, and other infrastructure into the capital budget over time.
- Updating the comprehensive plan and zoning to match the Plan's land use direction.

The City may act **reactively** by:

- Evaluating development proposals against this Plan (responsibility of City Planning Staff and the City Council).
- Guiding property owners on land use and zoning if/when they want to sell.
- Requiring developers to build necessary infrastructure as part of their development plans.
- Working with developers on how to maximize the benefit of their park dedication fee.

Once adopted, both the public and private sector can make investments in reliance of this Small Area Plan.

This Plan is aspirational!

- *Not all ideas presented in this Plan will be implemented*
- *Other ideas not included in this Plan may be completed*
- *Some ideas require private property to implement*

1.2 Study Area Context

History

Washington County Historical Society describes a storied history for the Study Area - it was once a lively railroad village, known as Langdon, which grew around a station along the St. Paul & Chicago Railroad constructed in 1869 between Hastings and St. Paul. Langdon was platted in 1871 and was a bustling trade center and shipping point that had an elevator and feed mill, hotel, school, church, blacksmith shop, and the original Cottage Grove Town Hall. It was home to one of the first creameries in Minnesota, Langdon Butter and Cheese Factory. The hub naturally quieted down over time as the railroad became a less dominant feature and method of transport.

Study Area Description

The Study Area (see Figure 7) is centrally located within the City of Cottage Grove, 17 miles from downtown St. Paul and just 7 miles from Hastings.

It covers 475 acres on the southwest side of Highway 61 between Jamaica Avenue and Innovation Road, to the north and south of 100th Street and its planned extension. Bounded by the highway on the northeast, the Study Area follows existing property lines, with 3M's Cottage Grove facility just 0.5 miles south of the Study Area's southern limit. A prominent element, the Canadian Pacific Kansas City Railway (CPKC) right-of-way (ROW) bisects the Study Area, separating wetlands and other waterbodies on the west side of the railroad ROW with agricultural land and the area's few existing buildings on the east side, including the Langdon Village residential area, two local historic sources in the original Town Hall and school, and a handful of light industrial uses nearest Jamaica Avenue.

Area Character

To the west of the Study Area is the city's most prominent and fast-growing business park. Jamaica Avenue is heavily traveled by trucks. A dog park is nestled between Jamaica Avenue and the Study Area, south of the railroad right-of-way. Northeast across the highway is the Washington County-owned Cottage Grove Ravine Regional Park, featuring 515 acres of hills and dramatic, heavily-wooded ravines. The 3M facility sits southeast near the river, and is a major landowner within the Study Area and south to the facility.

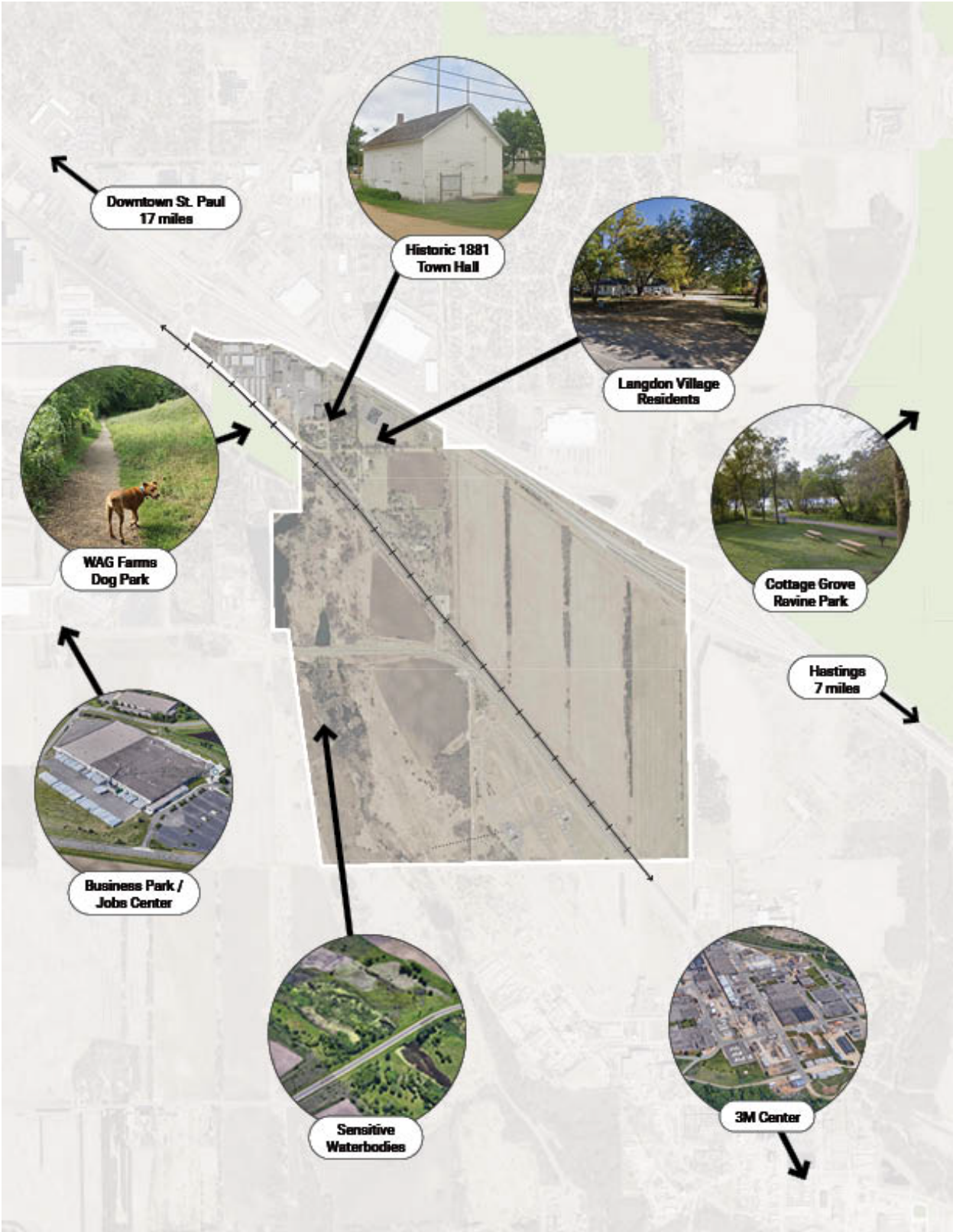


Figure 6: Historic Plat of Langdon Village



Figure 7: Study Area in relation to the City of Cottage Grove

Figure 8: Study Area existing conditions



1.3 Relevant Planning Studies

As this section details, plans for the Study Area have evolved significantly over the years, first envisioned by the Red Rock Corridor Plan in 2012 as a high-density mixed-use neighborhood around a commuter rail station, then re-studied in 2018 as a proposed transit station (reimagined as bus rapid transit) moved to the north side of Highway 61. The future of this area is now more certain in regards to transportation and associated infrastructure improvements, with the planned 100th Street extension having an anticipated construction timeline beginning in 2027. Landowners and future developers require more detailed and current guidance for property investment.

Cottage Grove 2040 Comprehensive Plan (2018)

Purpose: To guide residential, commercial, and industrial growth over time in order to direct City decision-making for investments in community infrastructure and services.

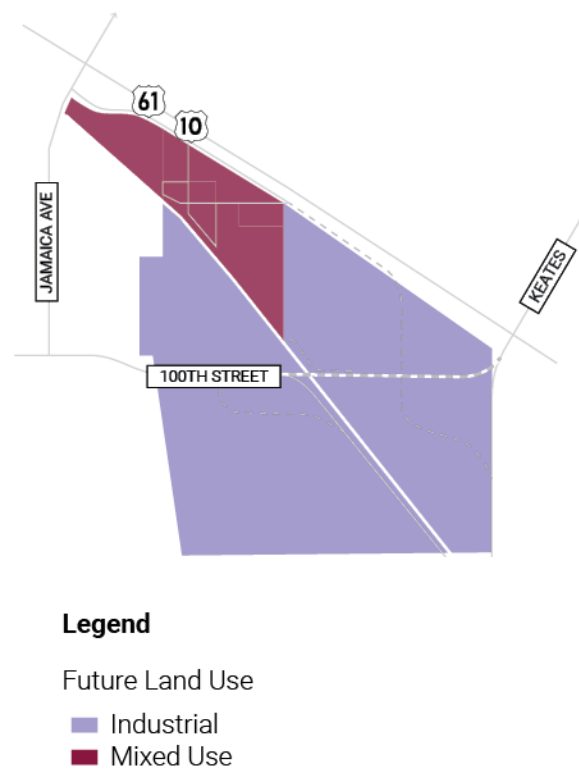
Key Findings: As a rapidly growing suburban community, the comprehensive plan balances policies to preserve and enhance Cottage Grove’s unique character while preparing for more residential growth.

The City’s 2040 Comprehensive Plan, adopted in 2018, includes mixed-use and industrial land use guidance for the Study Area and a more detailed vision for its future, described as a “walkable mix of commercial and community businesses and activities, serving a new higher density neighborhood as well as the broader city. It could expand Cottage Grove’s retail, both in terms of land area, and in terms of offering a different character of retail development.”

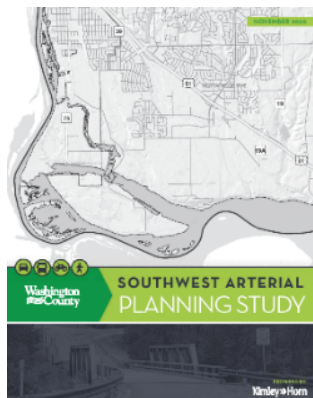
As one of the designated “Areas of Future Land Use Change” in the comprehensive plan, mixed-use areas like Langdon Village have been created in suburbs like Cottage Grove, but they are challenging from a development perspective. Their distinctive character, and high amenity level, is important for achieving the rents that make the multifamily development work. And yet, retail stores require a certain amount of residential density and pedestrian traffic to do well. Assertive steps and patience are required on the public sector side and an innovative master developer may need to be identified as a private sector partner.

The last two comprehensive plans assumed a Red Rock station in this area but that transit amenity has subsequently been moved north of Highway 61. The current plan maintains the mixed-use land use designation for Langdon Village but benefits from a revised land use definition that characterizes a mixed-use district with a focus on pedestrian orientation and complementary uses.

Figure 9: Future Land Use guidance (2018)



Southwest Arterial Planning Study (2020)



Washington County and Cottage Grove long-range plans have identified the need for an arterial highway running from Grey Cloud Island to U.S. Highway 61 in Cottage Grove.

Purpose: To understand the current and future transportation needs and determine a route for a future arterial roadway to serve southwest Washington County.

Key Findings: The preferred Concept Alternative selects the 100th Street extension between Jamaica Avenue and Innovation Road as the Segment 1 (between Jamaica Avenue and Innovation Road) route.

Sections of 100th Street have already been constructed west of the rail corridor in the Small Area Plan Study Area through the Jamaica Avenue intersection.

Red Rock Corridor Commuter Rail – Station Area Plan for Langdon Village (2012)

Purpose: Conceptual station area plans for land use, connections, and green space.

Key Findings: The long-term vision for Langdon Village Station Area Plan included parking facilities for 850 commuters, 677 housing units, an estimated 1,192 new jobs, 686,500 square feet of mixed use development, 62,500 square feet of commercial development, and 11,500 square feet of civic/institutional/office development.

While Langdon Village will no longer be home to a potential transit station along the rail corridor, it is important to acknowledge that this plan looked to the Station Area Plan as a starting point, carrying forward the following elements:

- Housing: several hundred housing units proposed
- Public Space: planned parks, public open space, green corridors, and trails
- Jobs: new jobs
- Mixed-use development



Figure 10: Red Rock Corridor Commuter Rail – Station Area Plan for Langdon Village (2012)

Additional Relevant Planning Studies

Jamaica Avenue Small Area Plan (2018)



Purpose: To prepare a planning study and vision for the area around a proposed bus rapid transit station at Highway 61 and Jamaica Avenue.

Key Findings: Developed a vision, short-mid-and long-term development opportunities, mobility improvements, and implementation strategies for the Jamaica Avenue Study Area.

In 2016, the Red Rock Corridor Commission adopted an Implementation Plan that outlined steps to implement bus rapid transit in the corridor, and subsequently adopted small area plans along the corridor, including the Jamaica Avenue Small Area Plan. This Plan updates and replaces the 2012 Station Area Plan for Langdon Village and is used as a planning tool for the area surrounding the proposed Red Rock BRT station in the NW quadrant of the Jamaica Ave/Highway 61 interchange.

Historic Preservation Strategy Report (2021)



Purpose: To document and preserve Cottage Grove's historic resources.

Key Findings: The City's Register of historic sites and landmarks includes the original Cottage Grove Town Hall (located at 9540 Islay Avenue) and Langdon Consolidated School (located at 8839 95th Street), both within the Study Area.

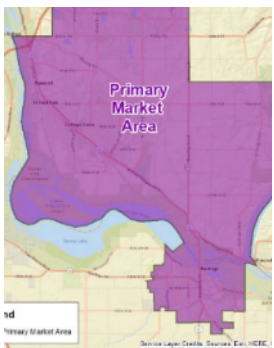
The Shoppes at Cottage View (2023)



The Shoppes at Cottage View is a proposed development plan spearheaded by the City of Cottage Grove that includes 73 acres of commercial and residential development in the northwest quadrant of the Highway 61 and Keats Avenue interchange.

How will Innovation Village be different from the Shoppes at Cottage View? While the Shoppes are envisioned to attract more national chain retailers, as described later in the Plan, Innovation Village's mixed-use area intends to attract more local, unique, or destination retailers.

Comprehensive Housing Needs Analysis (DRAFT 2025)



Purpose: To analyze demographic and economic characteristics, building stock, and building permit trends to understand the amount and type of housing that should be developed to meet the needs of current and future households.

Key Findings: Cottage Grove's near-term growth is led primarily by the Millennials and Baby Boomers which will result in demand for housing types at opposite ends of the residential continuum, including adult (55+) rental and for-sale homes in addition to households wanting to purchase their first home or move-up. As low-density land supplies decrease, it is important to identify areas where there will be increased density to accommodate a higher number of housing units.

2 Existing Conditions Analysis

No planning process starts with a blank slate. The Existing Conditions Analysis for the Innovation Village Study Area examined critical drivers like regional and citywide demographic trends, applicable zoning and policy regulations, development market indicators, and constraints and opportunities in the physical environment. The key takeaways highlighted below are a quick snapshot of the foundational details that shaped the small area plan, and the corresponding details can be viewed in more detail in subsequent sections of this chapter.

Figure 11: Existing Conditions Key Takeaways

MEDIAN HOUSEHOLD INCOME



Cottage Grove households tend to be middle to upper income.

POPULATION & HOUSEHOLD GROWTH



Cottage Grove has grown in population and households since 2010 and is projected to add more than 6,000 more housing units and 13,000 residents by 2050.

INDUSTRY



The Study Area would be a desirable location for additional industrial development because it would offer additional large sites and easy access to Highway 61. However, Industrial development in the Study Area would dampen market demand for other development types. 21st century tech and innovation businesses would meet need for higher wage jobs.

HOUSING



Cottage Grove has begun to attract a share of the Twin Cities suburban apartment development. Access from new 100th street extension, railway corridor, distance from highway and being surrounded by natural features makes it ideal for residential development.

The Study Area is attractive for multifamily rental housing at a range of scales, from single family rental through midrise apartment buildings.

RETAIL



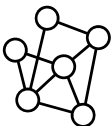
Demand will grow significantly as Cottage Grove's population grows. Most new retail will prefer to the north side of Highway 61 since more residents live north of the highway. To entice retail to the Study Area, it either needs to be highway-oriented businesses, or of a distinctive character in an attractive physical context.

HOTEL



The City's 2022 hotel market study determined that the Cottage Grove market context would likely support the addition of a hotel near the Study Area. An amenity-rich mixed-use development would benefit from this.

CONNECTIVITY



Proposed 100th Street Extension, existing Railway Corridor, extended biking and walking corridors further enhance the connectivity of the Study Area.

Access from Highway 61 makes the Study Area more attractive for retail and mixed use along the highway corridor.

Addition of trails and biking connections will help utilize the natural wetland features and waterbody for public access.

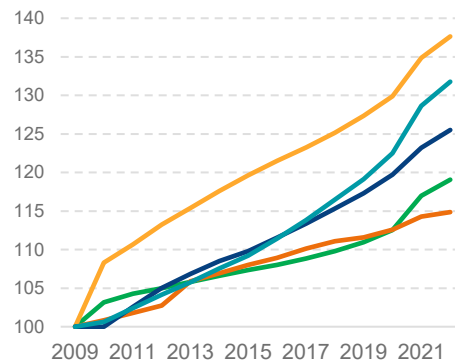
2.1 Demographics & Economics

To better understand trends in population and market conditions in Cottage Grove, this section uses a set of similar peer cities in the region to compare characteristics as well as the Minneapolis/St. Paul (MSP) Metropolitan Area overall. This ensures that the analysis is not performed in isolation of larger demographic and economic trends.

Population and Households

Cottage Grove has grown in population and number of households since 2010. While there has been fluctuation in population and households over this period, overall Cottage Grove's population has grown by roughly 20 percent over the period, with a distinct surge since the onset of the COVID pandemic. The household growth trajectory has followed a similar pattern. (Source: ACS 5-Year Estimates, 2009-2022)

Figure 12: Population Indexed Value Chart



Population by Age Bracket

Legend

Peer Cities

- Cottage Grove
- Rosemount
- Lakeville
- Woodbury
- MSP

Cottage Grove has a younger population than the metropolitan area as a whole. Thirty percent of its population are from 0 to 19 years old. (Source: ACS 5-Year Estimates, 2022)

Figure 13: Household Index Chart

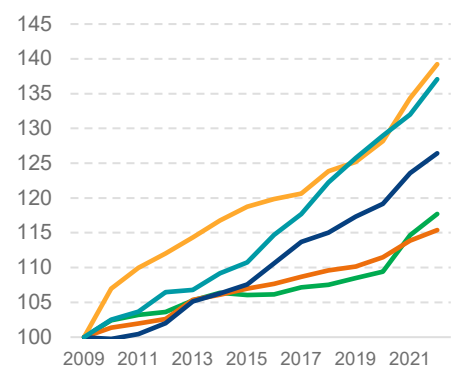
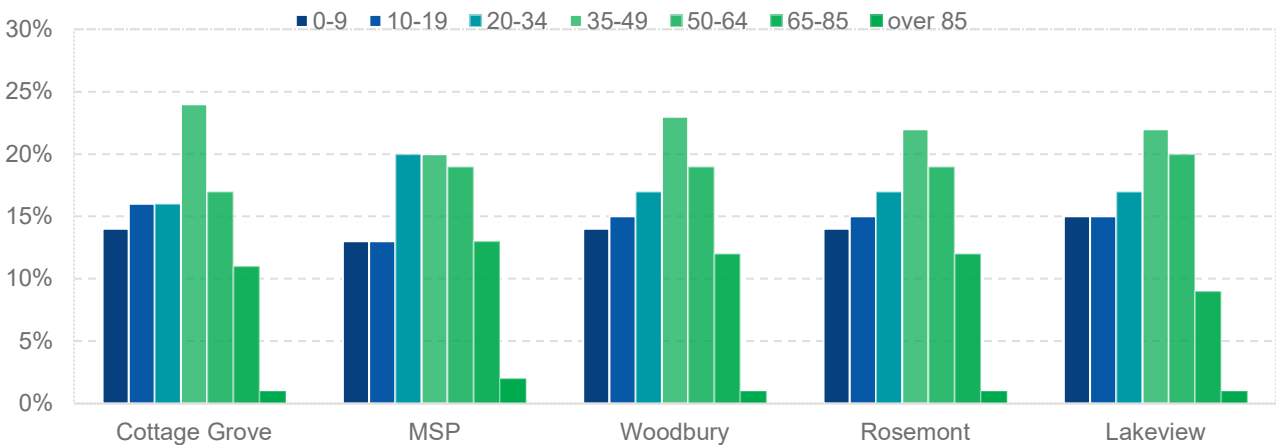


Figure 14: Population by Age Bracket



Household Income

Cottage Grove households tend to be middle to upper income. The comparison cities are similar, although they have a greater share of households in the highest income bracket, as well as a stronger contingent of low income households. (Source: ACS 5-Year Estimates, 2022)

Figure 15: Median Household Income Chart

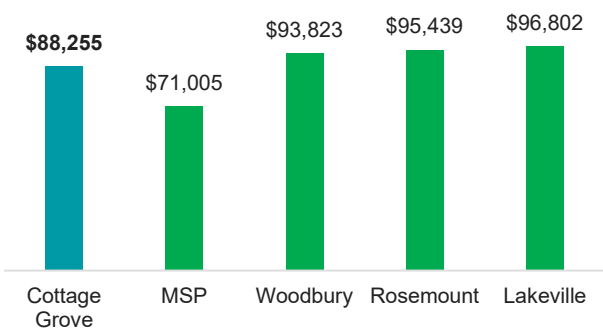
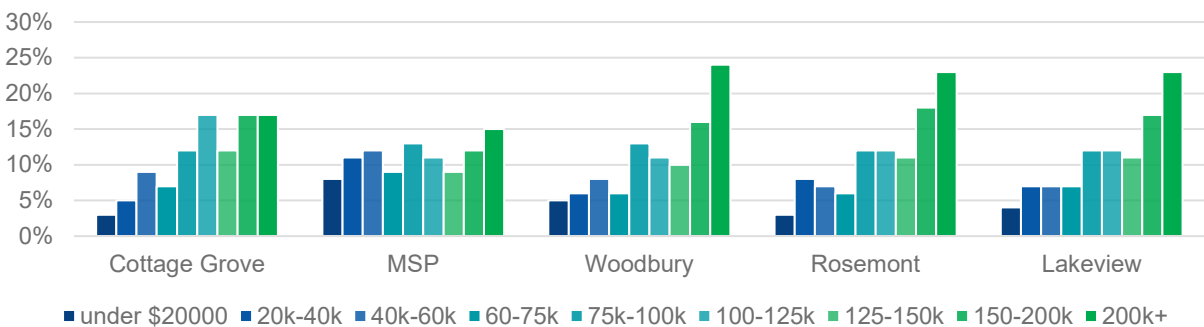


Figure 16: Percent of Households by Household Income Bracket Chart



Household Structure

Cottage Grove and Lakeville have the youngest median age and largest average household size among peer cities. Married couples represent a high share of Cottage Grove's household mix. (Source: ACS 5-Year Estimates, 2022)

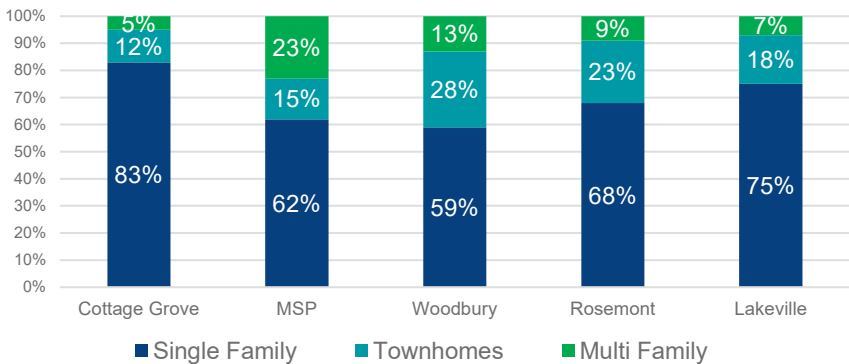
Figure 17: Household Structure Chart



Housing Type

Single family homes are the predominant housing type in Cottage Grove. The peer cities have experienced more apartment development than Cottage Grove. (Source: ACS 5-Year Estimates, 2022)

Figure 18: Housing Type Chart



Industrial Composition of Employment

New economy low wage jobs and blue collar jobs predominate in Cottage Grove employment. New economy low wage employment is likely centered on the retail sector businesses in Cottage Grove’s two destination retail districts. Employment in blue collar industries includes jobs at the longstanding 3M campus, and in Cottage Grove’s growing business park. (Source: OnTheMap, 2002-2020)

Figure 19: Industrial Composition in Cottage Grove Chart

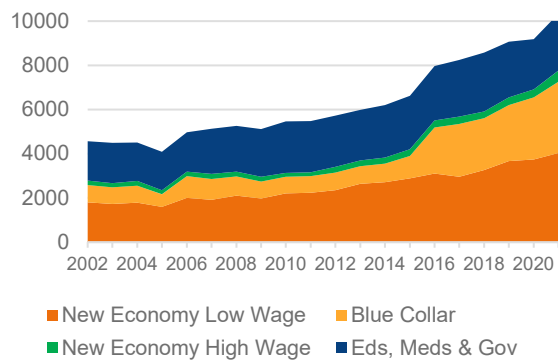
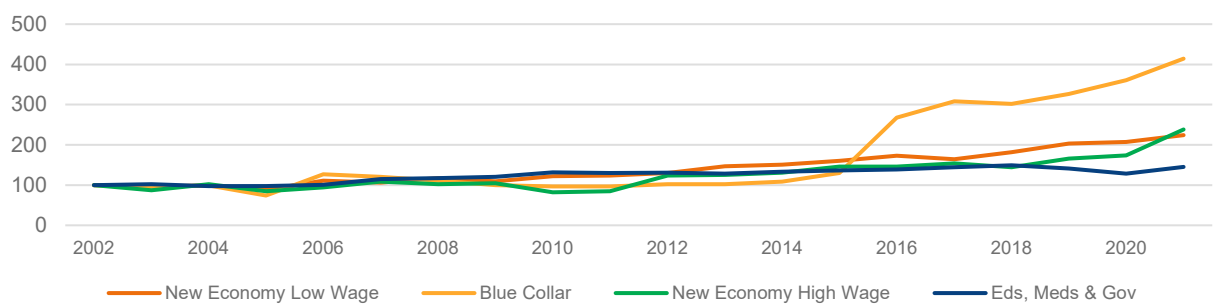


Figure 20: Industrial Composition: Indexed Chart



Commute Patterns

Cottage Grove is primarily a residential community with a small overlap between those who live and work in Cottage Grove. (Source: ACS 5-Year Estimates, 2022)

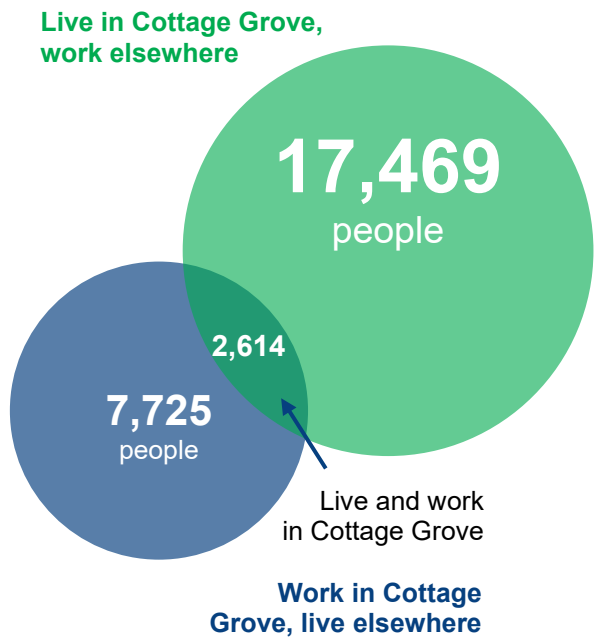
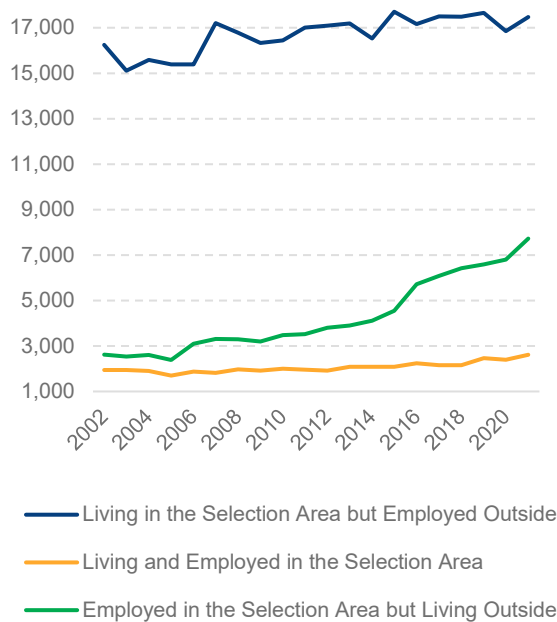


Figure 21: Commuting Patterns



2.2 Market Conditions

Housing Growth

The pace of housing growth is surging in Cottage Grove. Single-family homes continue to dominate new construction. (Sources: ACS 5-Year Estimates, 2009-2022, SOCDs Building Permits Database)

Figure 22: Annual Net Change in Housing Units by Year Chart

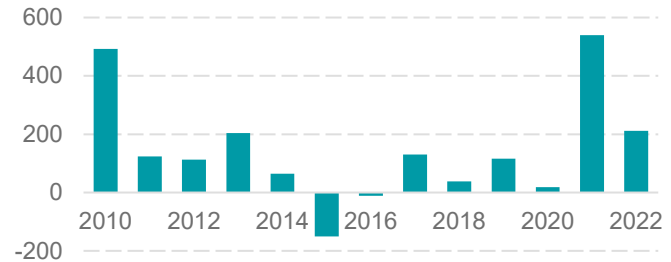
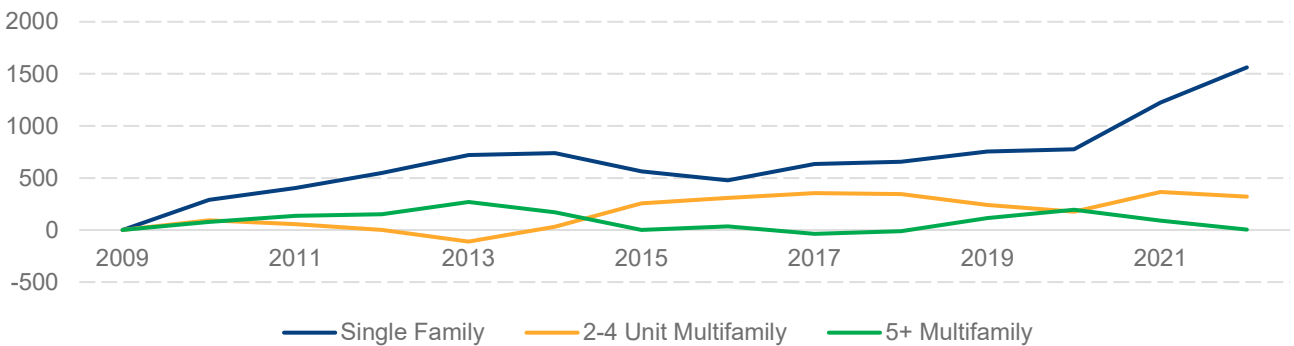


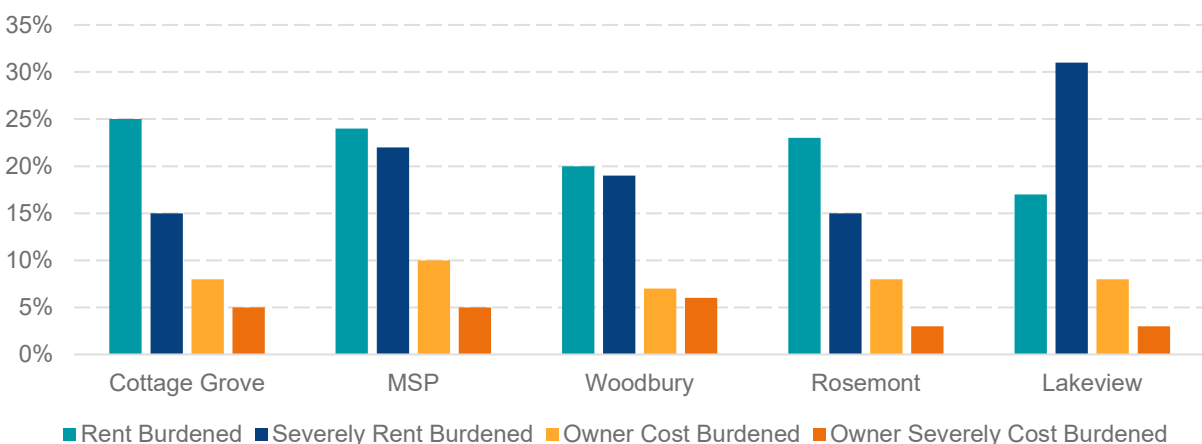
Figure 23: Housing Units Growth Projection Chart



Housing Affordability

Rent and home values in Cottage Grove have been on the rise since 2014. The federal government defines cost-burdened households as those who pay more than 30 percent of their income on housing costs. Severe cost-burdened households pay more than 50 percent of their income on housing costs. In Cottage Grove, 40 percent of renters and 13 percent of homeowners are cost burdened. (Source: ACS 5-Year Estimates, 2022)

Figure 24: Cost Burdened Households



2.3 Physical Conditions

Zoning and Future Land Use Guidance

The Study Area is primarily zoned for industrial uses, with a pocket of single-family residential zoning and commercial zoning along a stretch of the highway. The Future Land Use guidance generally follows the zoning with the exception of a pocket of Mixed-Use direction in the Langdon Village area.

Legend

Current Zoning

- I-2 - Heavy Industrial
- I-2 - General Industrial
- B-2 - Retail business
- R-3 - Single Family



Figure 25: Zoning Map

Ownership

Most of the City-owned properties are vacant or nearing the end of their useful life. 3M-owned property in the Study Area is either farmland or environmentally sensitive areas. The residential area is the Langdon Village neighborhood and includes two identified local historic resources.

Legend

Ownership (2025)

- 3M
- Individuals
- City of Cottage Grove
- 9165 Point Douglas LLC
- Acorn Mini Storage LLC

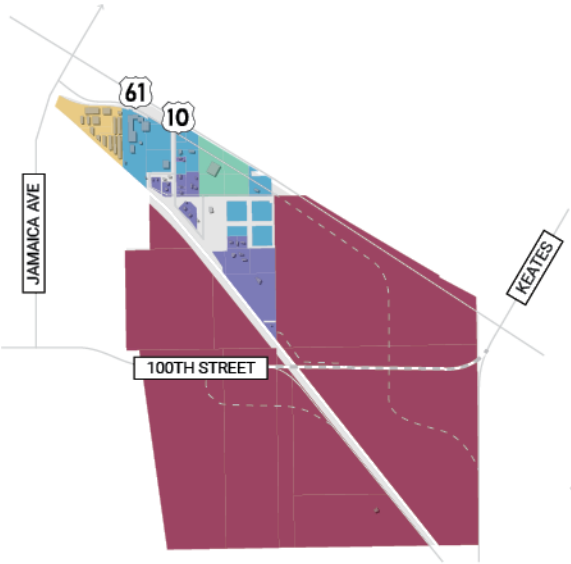
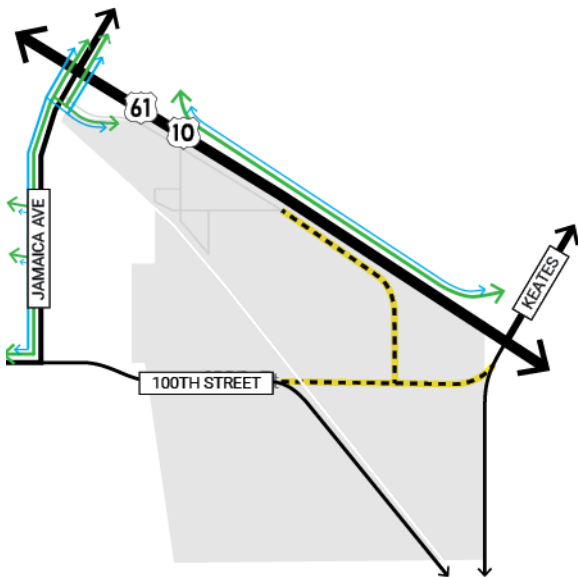


Figure 27: Ownership (2024) Map

Mobility

Vehicle connections through the Study Area are limited. Biking and walking connections are included on the periphery of the area, but new paths (in yellow) will be created along 100th Street and connector roadways. The rail corridor (diagonal white line) cuts through the middle of the Study Area.



- Legend**
- Mobility Network, existing
- Walkway
 - Bikeway
 - Major thoroughfare
 - Other thoroughfare
 - Planned road

Figure 31: Mobility network, existing and planned

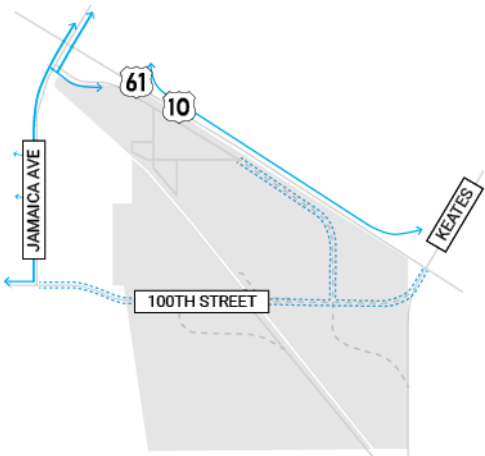


Figure 28: Pedestrian network

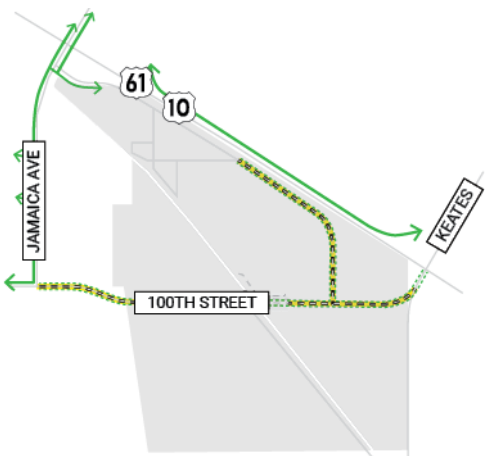


Figure 29: Bicycle network

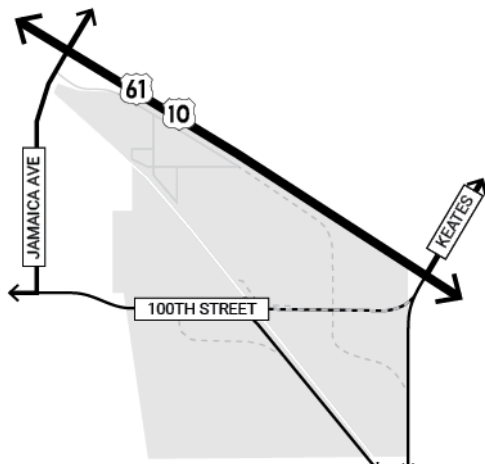


Figure 30: Auto network

Figure 32: Mobility Map



Legend

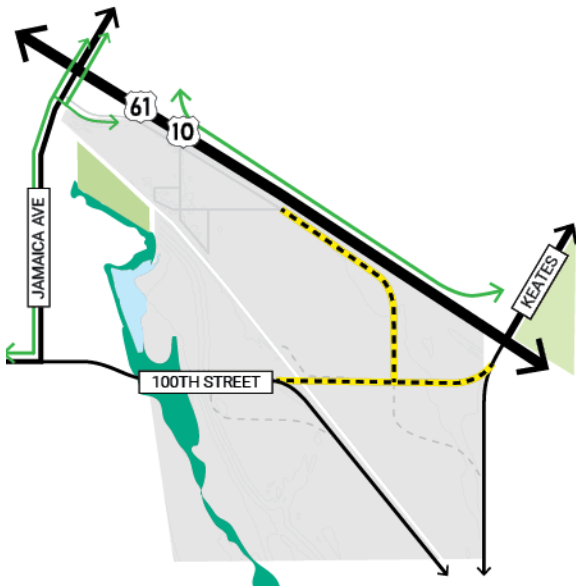
- Mobility Network
- Highway
 - Minor Arterial
 - Major Collector
 - Minor Collector

- Local Streets
- 100th St extension
- Sidewalk
- Railway Line

- Railroad Crossing
- AADT
(Average Annual Daily Traffic)

Environment

Parks exist at the edge of the Study Area but are difficult to walk to. Wetlands buffer the west side of the Study Area but are not publicly accessible to visit as a natural amenity. Most of the Study Area is generally flat. Minor elevation changes surround the wetlands.



- Legend**
- Environment
- Waterbodies
 - Wetlands
 - Parks, open space
 - Trail

Figure 36: Environmental assets

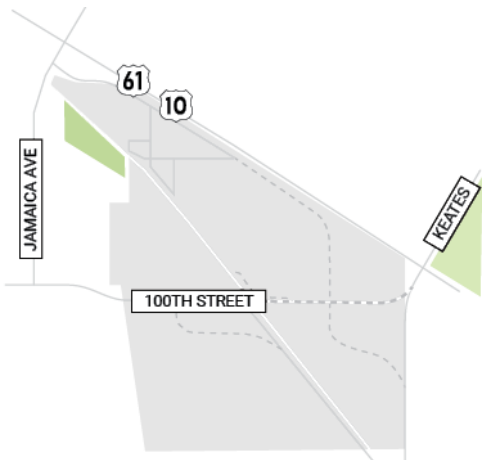


Figure 33: Parks

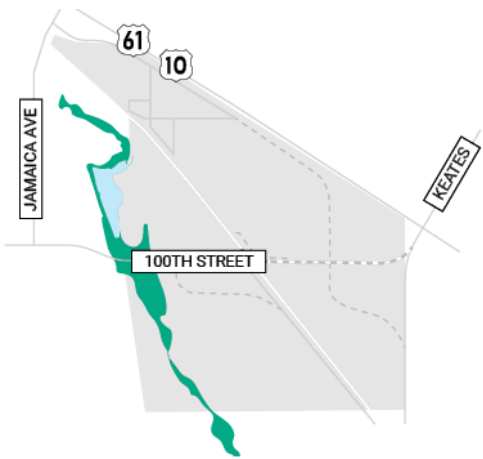


Figure 34: Wetlands

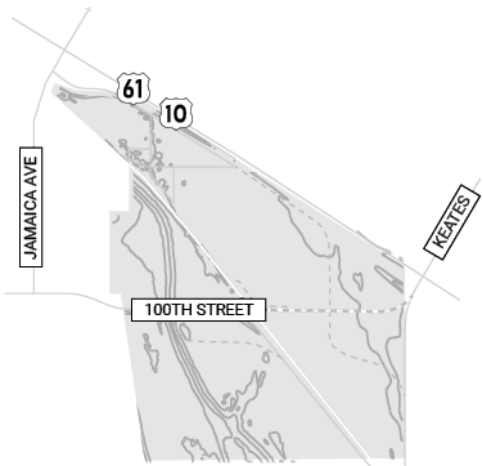
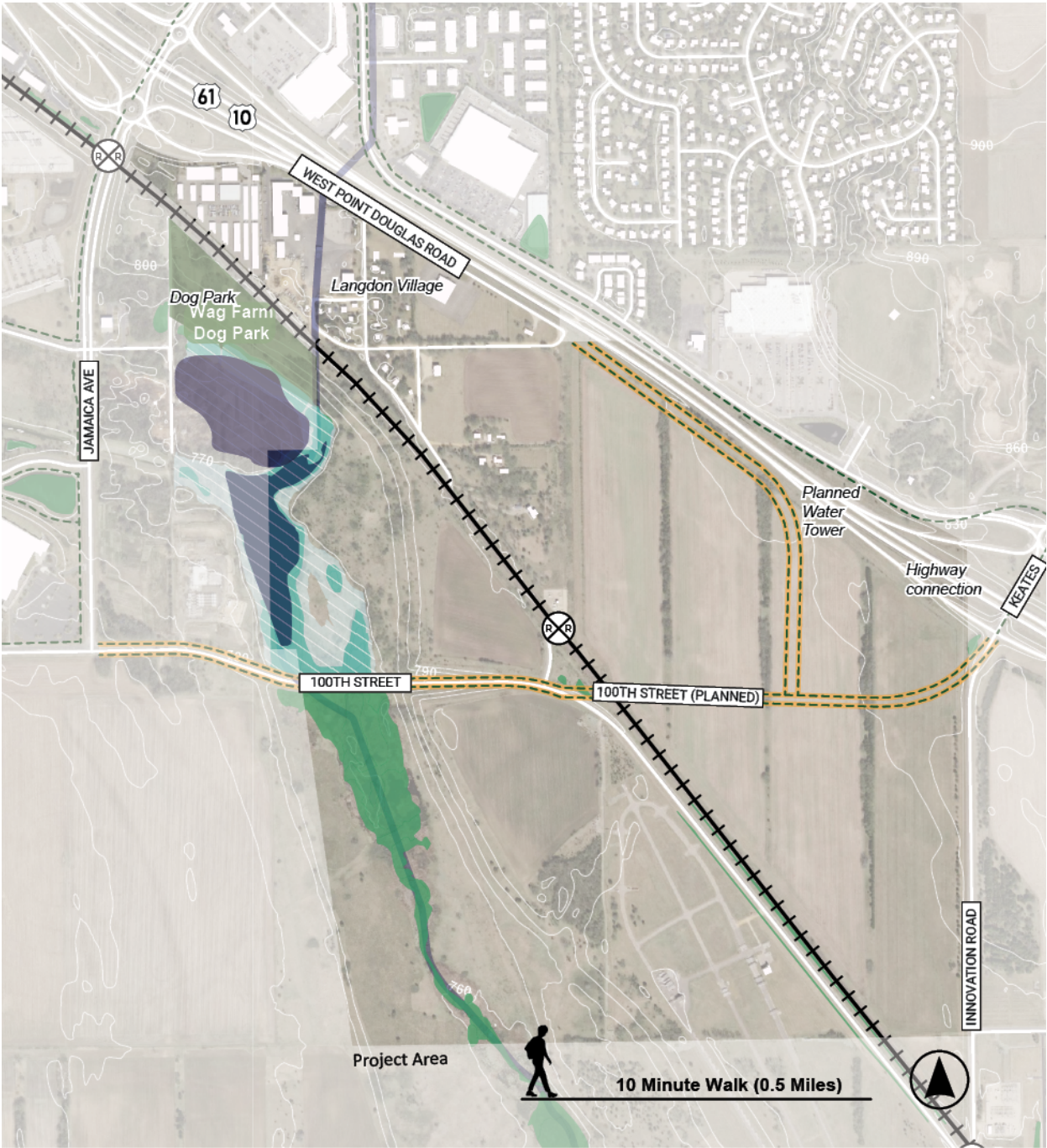


Figure 35: Elevation contours

Figure 37: Environmental Map



Legend

Environment

- Waterbodies
- Wetlands
- Flood Hazard Zones
- Parks

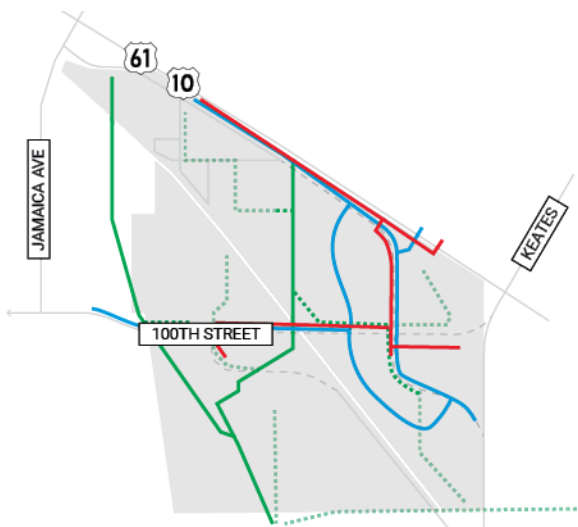
- Trails
- Proposed Trails

INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Utilities

The extension of 100th Street is an opportunity to expand utility services to the Innovation Village area which will result in increased market demand to available sites. The Study Area currently has two sanitary sewer lines coming north-south through the middle and along the western edge. The introduction of 100th Street and the extension of West Point Douglas Road will precipitate additional sanitary sewer lines, water mains, and storm sewer lines.



Legend

Utilities

- Sanitary sewer, existing
- ... Sanitary sewer, proposed
- ... Sanitary sewer, potential future
- Water main, proposed
- Storm sewer, proposed

Figure 41: Utilities



Figure 38: Sanitary sewer

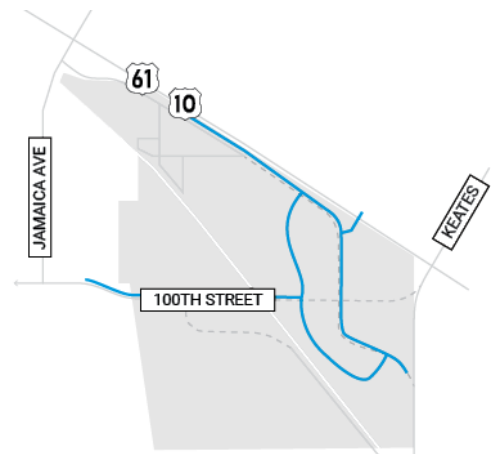


Figure 39: Water main

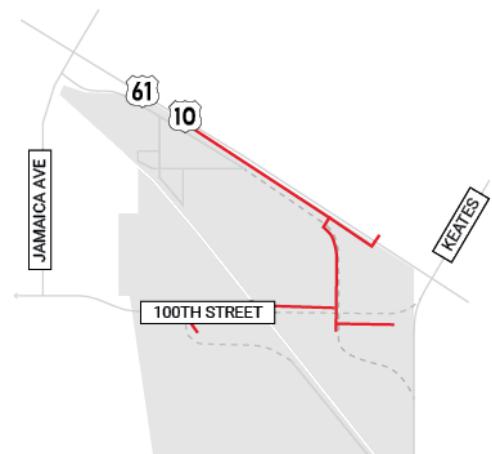


Figure 40: Storm sewer

3 Plan Priorities

3.1 Engagement

The Innovation Village Small Area Plan engagement process focused on engaging people most impacted by current and future land decisions –landowners and Cottage Grove City staff. Other stakeholders came into the process to provide technical expertise to guide the plan's direction. The sections below describe how those stakeholders were involved and overall input they provided.

Working Group

The Plan's Working Group consisted of City of Cottage Grove staff with a variety of expertise in land use and zoning, parks and open space, economic development, and municipal engineering. The Working Group met four times during the process to guide the direction of the plan:



Figure 42: Neighborhood engagement (2024)

1. August 2024 – The Working Group kicked off the planning process by identifying past, current, and future studies and projects that could impact the analysis and recommendations in the small area plan. They also participated in an exercise to think through elements in the Study Area that should be Sustained (important assets), Released (policy and practices that may not be working), and Explored (ideas or best practices from other parts of Cottage Grove or similar cities that should be evaluated).
2. September 2024 – The Working Group heard a synthesis of the existing conditions analysis – demographics, market conditions, and physical conditions. They then applied these details to a futurespective exercise where they imagined what contributing factors could make this area successful beyond their wildest dreams. They highlighted a tie to nature and the environment, a focus on residential housing types not found in other parts of the city, a unique art or other public feature that draws people from other places, walkable and connected trails and streets, interactive and comfortable public realm features, and a mixed-use retail area with cool shops and restaurants. The Working Group also brainstormed challenges that would need to be overcome to achieve these elements. They wanted to ensure this area did not compete with other Cottage Grove destinations, it improves connectivity outside the Study Area boundaries, the railroad is considered, and that it is sensitive to the needs and desires of private property owners.
3. October 2024 – The purpose of this Working Group meeting was to refine the vision and working concepts developed with their input during the September meeting. They provided minor adjustments to what became the final Vision and Themes in this small area plan. The Working Group also reviewed concept ideas in the Study Area based on overall frameworks for land use, mobility, and land use, and then how those concepts could be applied in specific geographic areas, or zones. They provided guidance on the interior street network, location of public amenities like parks and trails, and where levels of residential density made sense based on market conditions.
4. December 2024 – The Working Group evaluated the final draft of the overall Innovation Village Small Area Plan concept and then tackled an action plan to realize key plan strategies in both policy and a critical path timeline. The group agreed the defining factor in the timeline is the opening of 100th Street and accompanying utilities, and that there are both big and small steps to take before that date to realize the vision for this area.

Community & Other Stakeholders

Key stakeholders both helped support the Plan's analysis and provided input on the vision and concept. As the Innovation Village Small Area Plan starts to get implemented after its adoption, continued thoughtful and consistent conversations between the City of Cottage Grove and landowners, in particular, are necessary to define details of its reality on the ground.

Landowners

Landowners are always a prioritized stakeholder group for engagement in a planning process since their land can be directly impacted by the plan's recommendations. In the case of Innovation Village, there are two sets of critical landowners – existing Langdon Village residents and 3M. As shown earlier in this plan, 3M owns a majority of land in the Study Area. Related to Langdon Village, this is an established enclave of single-family homes that have gone through earlier planning processes like the one for the Red Rock Corridor. These landowners were brought into this planning process in a few ways:

- Langdon Village residents – City staff visited each house in Langdon Village to introduce the planning process and personally invite them to an open house. The open house (described below) was held at a Fire Station near their neighborhood to make participation easier. Most participants at the open house live in Langdon Village.
- 3M – City staff hold monthly meetings with 3M. This venue was an opportunity to first introduce the plan to 3M representatives. City staff continued to keep 3M up to date on the planning process and shared the draft Concept Plan once it was developed. 3M's primary concern has been siting residential development too close to their existing facility south of the Study Area which was a significant consideration in the development of the Concept Plan.

Open House

The City of Cottage Grove held a public workshop on Thursday, November 21st, 2024 to gain input on concept ideas for the Small Area Plan. The workshop was held at the Cottage Grove Fire Station #4 from 4:30-6pm. Key questions that the city wanted to address at the meeting included:

- How can we use the 100th Street extension as an opportunity for new development and amenities?
- What should the City care about for the next life of City-owned properties?
- What does Cottage Grove need to be more livable?

What Participants Learned

The workshop shared key information about what the small area plan process entails, existing physical and market conditions within the Study Area, a vision framework for what the Study Area could be in the future, and draft concepts and example imagery for how this area could develop based on the vision framework. All this information is similar to what can be found in this document. Highlights of the information presented to participants included:

- The purpose of a small area plan and how it gets implemented.
- That the construction of 100th Street and associated utilities to the Study Area is the primary driver of the Small Area Plan.



Figure 43: Neighborhood engagement open house (2024)

- How other relevant past plans and studies guided land use and infrastructure in this area.
- Demographic and market conditions that drove elements of the small area plan.
- Physical conditions of the Study Area that could be constraints and assets.
- The draft Concept Plan holistically and broken up into geographic area with priorities and aspirational images of what it could be in the future.

What Participants Thought

Participants had an opportunity to provide input into the Vision and Themes as well as details in the Concept Plan.

1. Vision Framework: Residents were asked to respond to the high-level question “Do the vision and themes match your hopes for the future of Innovation Village?” Generally, most people felt the vision and themes did fit the general idea of what they hoped for Innovation Village. Additionally, participants offered specific input about wanting connected and safe bike and walking paths, a sense of belonging through community spaces, that terms like “vibrant” and “dynamic” did not match their personal perspective of a calm home, more native plantings, and more nature overall.
2. Concept Plan: Participants were excited about the City’s future plans, including creating a quiet zone with the railroad and developing boardwalks in natural areas. There was strong interest in various housing types, such as affordable, senior, and accessible housing, and maintaining smaller homes, especially in Langdon Village. Safety for children biking and accommodating disabled family members were also important. From a business perspective, higher density, lower priced housing, parks, trails, and light commercial establishments were beneficial. Effective traffic management, especially during shift changes and considering train frequency, was crucial. Concerns included traffic management on 100th Street and West Point Douglas Road, noise from the railroad, and the need for two neighborhood accesses. Participants preferred keeping homes small and avoiding tall buildings, with a focus on community. Suggestions for pedestrian improvements included bridge replacement over Highway 61, a walking bridge for better retail access, and sidewalks and lighting along the park. Concerns also included the impact of taxes and the practicality of Bus Rapid Transit (BRT).



Figure 44: Concept plan charette at open house (2024)

Market Experts

During the Plan’s market analysis, industry experts in housing, commercial, and hotel development provided input into market demand indicators for the Innovation Village Study Area. Interviewees represented Cushman Wakefield, DR Horton, M&I Homes, Real Estate Equities, and Bader Development. These stakeholders offered their own insights and perspectives on what development types are working in the East Metro and specifically in Cottage Grove, and where trends are heading in the various market types. They indicated multifamily housing would be a good fit for the Study Area, retail development needs to be tailored to the opportunity, a hotel is a possibility near the Study Area, and the demand for industrial development is strong in Cottage Grove. Their guidance on how to expand the suite of retail options was to amenitize the Study Area with elements like parks and plazas, public art, connected sidewalks and trails, and greater housing density.

3.2 Vision and Themes

An overall Study Area Vision Framework provides a touchstone for decision-making when ideas and proposals for the Study Area do not directly match the plan's recommendations. City staff and elected officials can turn to the vision to determine if a proposal for a site matches the *intent* of the vision rather than the *exact* direction.

Once the vision was developed early in the planning process, it continued to be refined yet provided the overarching direction to develop the recommended Concept Plan.

Vision Statement

Innovation Village offers a vibrant and dynamic neighborhood where residents can seamlessly blend living, working, and playing experiences in Cottage Grove. Our unique environment fosters synergy with nature and Cottage Grove's history, enhancing a sense of belonging.

Themes

The Vision Statement can be implemented through five themes that encompass the future values of Innovation Village. The recommended Concept Plan defines specific strategies that support implementation of both the Vision Statement and Themes.

The Themes for Innovation Village are:

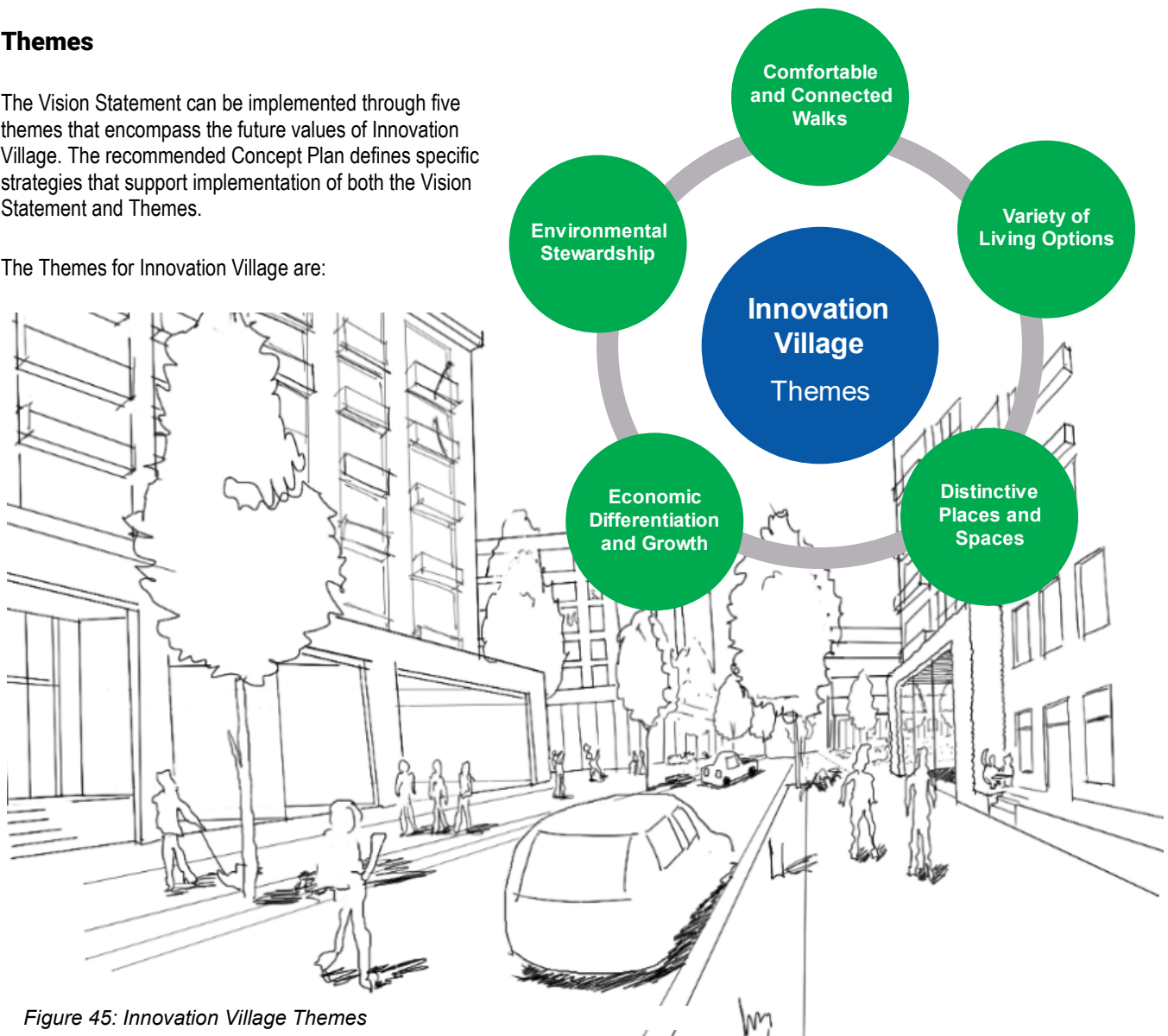


Figure 45: Innovation Village Themes

4 Innovation Village: The Concept Plan

To realize the Vision for Innovation Village, the Concept Plan is specifically designed to offer a highly amenitized residential neighborhood. It takes its cues from the physical characteristics and historic resources of Langdon Village and then expands diverse housing opportunities to meet market demands. Situated along Highway 61, it is one of the last primarily undeveloped areas of the city that has direct access to the highway and future Bus Rapid Transit as well as proximity to existing trails, retail, and jobs.

Figure 5: Innovation Village Concept Plan



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Achieving the vision for a “vibrant and dynamic neighborhood” will not happen with market forces alone. The City of Cottage Grove is committed to creating a place where people *want* to live – with sidewalks and trails, neighborhood parks and programmed plazas, and design of sites and buildings that are oriented to active public spaces.

The Concept Plan is the culmination of work completed including the market and physical conditions analysis, review of past planning efforts, and considerations from the project working group, public, and other stakeholders. The idea that this area can once again be a place to live, work, and play is a nod to the history of late 1800s Langdon, the City’s vision as set out by the 2040 Comprehensive Plan, and is an acknowledgement of the original Red Rock Corridor station area plan for Langdon Village. It merges all of this together, old and new, to create the vision as “**Innovation Village.**”

The following describes the physical features depicted in the overall Concept Plan on the previous page. The pages in this section that follow break down the Concept Plan into the components of mobility and access, land use and development, and amenities and describe each in more detail.

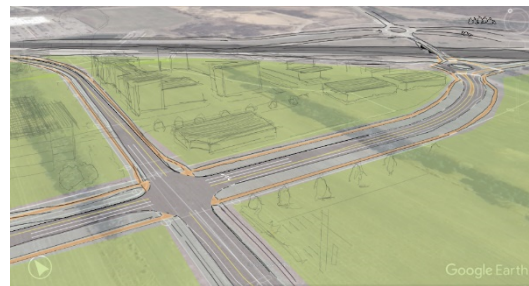
New Street and Utility Infrastructure: This Concept Plan cannot fully come to life without the 100th Street extension and other planned streets (West Point Douglas Road), which fully opens this area up for development. Upon completion of this crucial road and utility infrastructure, anticipated in 2028, 100th Street will be a two-lane County road with turn lanes approaching the West Point Douglas intersection.

Focal Point: Just north (approximately 500 feet) of the future 100th Street and West Point Douglas Road intersection, this area of interest establishes Innovation Village as a desirable place. A high quality public space lined by mixed-use (residential and commercial) development, creating *the* place that people want to be (think: local coffee shop, programmed and seasonal events) and a center of activity for the nearby residents to easily reach on foot.

Housing: Dense housing in Innovation Village brings Cottage Grove closer to reaching housing goals in an area that is well connected in the transportation network, limiting disruption to existing residential neighborhoods. A mix of medium and high density housing will provide a wide range of options including apartments, townhomes, and cottages with unique architectural features and hidden parking.

Mobility: Extending a grid-like network of streets from Langdon Village creates a dense set of connections to support walkability within Innovation Village. A couple primary roads funnel automotive traffic between redevelopment sites with West Point Douglas Road. Secondary roads and connections provide local access at low speeds conducive to dense residential development.

Amenities: The railroad that bisects Innovation Village becomes a community asset when lined with landscaping buffers and trail corridors, becoming both a recreational and transportation spine. A trail pedestrian bridge over the railroad connects residents on either side of the railroad right-of-way, as well as the wetland trails to a larger area. Small parks within Innovation Village create gathering places for the community.



100th Street and West Point Douglas Extensions



Credit: 2015 Cottage Grove Photo Contest Winner

4.1 Concept Plan Components

Mobility & Access

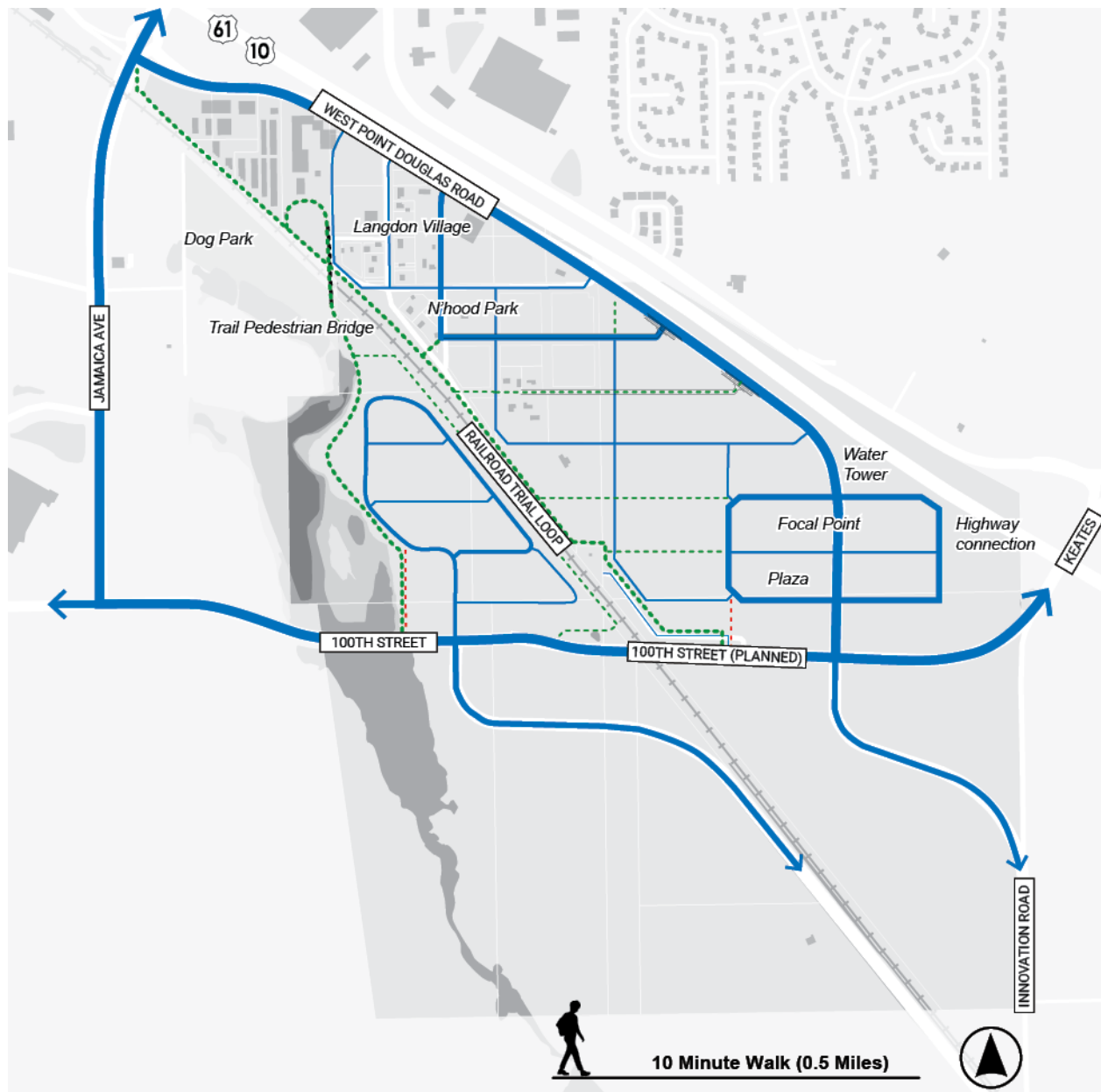
Innovation Village is connected through a hierarchy of streets that form predictable block shapes, have sidewalks or trails along each street, and are linked to a network of greenways and trails that serve as their own transportation routes for non-motorized methods of travel. The mobility and access concept is presented below, with the key features of the network described below.

Legend

Mobility Network

- Street (existing, planned)
- Concept street
- Trail (existing, planned)
- ... Concept trail

Figure 46: Mobility concept



Hierarchy of Streets: 100th Street will serve as a minor arterial through the Study Area, and West Point Douglas Road as a local collector. All other streets are proposed to be local streets, which can be public or private, and some may be designated as “primary” or “secondary” local streets, as denoted in the plan.

Comfortable and Connected Walks: Extending the existing street network of Langdon Village creates a dense network of connections supportive of walkability. The frequently spaced and narrow streets encourage slower travel speeds that support safety and comfort within a dense neighborhood. All new streets will have sidewalks or trails.

- Block shapes: Squared, rectilinear streets with minimal curves reduce likelihood of irregular shaped and difficult to develop parcels. Some curves are necessary for local streets to intersect West Point Douglas Road at right angles but should be constrained to calm traffic entering the existing intersections.
- Innovation Trail Loop: The central transportation spine of Innovation District is not a road but a linear park-line trail. Lining both sides of the railroad tracks creates both a recreational amenity and transportation connection from and along the existing physical railroad right-of-way barrier. The trail connects both sides of the railroad tracks by the planned 100th Street overpass. A proposed trail pedestrian bridge over the railroad tracks creates a loop and connects the north side of Innovation Village with a popular dog park and with the wetland amenity.

INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Land Use & Development Character

As proposed, a fully-developed and realized Innovation Village is a truly mixed-use area, from medium-to-high-density residential, local and highway-oriented commercial, traditional and innovative industrial, and even the full range of what a complete park system might offer: greenways, neighborhood parks, and public plazas. Buildings are designed at a human scale with a build-to line close to sidewalks with parking hidden in the rear of sites. This is truly a concept where you can live, work, and play, even without a vehicle to get around Innovation Village. The concept depicts the land uses described below.

Legend

Land Use

- Mixed Use
- High Density
- Medium Density
- Park
- Industrial
- Highway Commercial

Figure 47: Land use and development concept



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Mixed-Use: The Focal Point includes a public space that can serve as a community gathering space, surrounded by high-density residential with ground floor commercial. Develop is designed to seamlessly integrate with the sidewalk and public spaces with extension ground-floor windows, outdoor seating, and interesting landscape features. As Innovation Village's activity center, the intent is for this area to support local and neighborhood-scale services and retail in small concentrations.

Residential: Except for interchange-adjacent properties, Innovation Village north of 100th Street is focused on medium-to-high density housing amenitized by parks and natural features. It is an appropriate area to supply housing types that are in-demand, satisfy regional population projections and goals, and propose density that is geographically non-disruptive to existing single-family neighborhoods. Higher density housing can line the highway and West Point Douglas Road, the Focal Point, and (to a lesser extent) 100th Street. Areas further from major transportation corridors and the Focal Point can support a mix of medium to high density housing. All new housing developments will line streets with only site landscaping and amenities separating buildings from sidewalks and parking hidden to the rear or interior of sites.

Parks and Green Space: Existing and planned assets can provide park-like experiences and enhance further park investment. The railroad corridor, planned 100th Street extension, and natural wetland each provide an opportunity to line with trails. A plaza at the Focal Point creates a public gathering place. A neighborhood park near Langdon Village creates a more intimate, local serving open space. Both of these parks connected by the trails creates a network of parks and open space that that in sum are more valuable than their parts.

Highway Commercial: The future southwest quadrant of the Innovation/Highway 61 interchange will feature new highway-oriented commercial uses. Uses that are suitable for this accessible and visible location include a hotel, gas station, and fast casual restaurants.

Industrial: South of 100th Street, Innovation Village can also support industrial uses as an extension of the Cottage Grove Business Park west and 3M facility south. Enhanced building and site standards fronting 100th Street can improve compatibility with housing north of 100th Street and reinforce Innovation Village as a place to live, play, and work.

INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Parks, Green Space, and Amenities

The strong demand for people to live here and businesses to locate here is created by Innovation Village's diverse and interconnected system of parks, green corridors and trails, amenitized wetlands, and the Focal Point's plaza space. Any new trails will be well landscaped to feel like linear parks. This system is depicted and described below.

Legend

Environment

- Waterbodies
- Wetlands
- Parks, open space
- Trail (existing, planned)
- Concept trail

Figure 48: Parks, green space, and amenities concept



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Focal Point Plaza: A public gathering place as the center of the Focal Point establishes Innovation Village as a destination and attractive place as a whole. The intent of the Focal Point is to showcase arts and culture and support a range of programming from outdoor concerts to passive seating.

Greenways and Trails: Innovation Village is flanked and bisected by barriers (natural and built) that can each be leveraged as an amenity. The wetlands provide natural beauty and can be enjoyed to a greater extent with a recreational trail alongside. The railroad is transformed from a barrier to a connection by lining it too with linear park-like trails. With planned trail connections along West Point Douglas Road and 100th Street, these trail corridors encircle Innovation District with recreational loops.

Trail Pedestrian Bridge: The proposed pedestrian bridge over the railroad tracks connects housing and trails on both sides to the wetlands, establishing Innovation Village as a walkable and bike-friendly area. It bridges a barrier and helps create an asset from an existing barrier.

Neighborhood Park: A neighborhood park can provide quieter events, neighborhood walks, and games. It provides an outdoor space for the surrounding high and medium density housing. It also provides a gateway to the railroad and wetland trails.



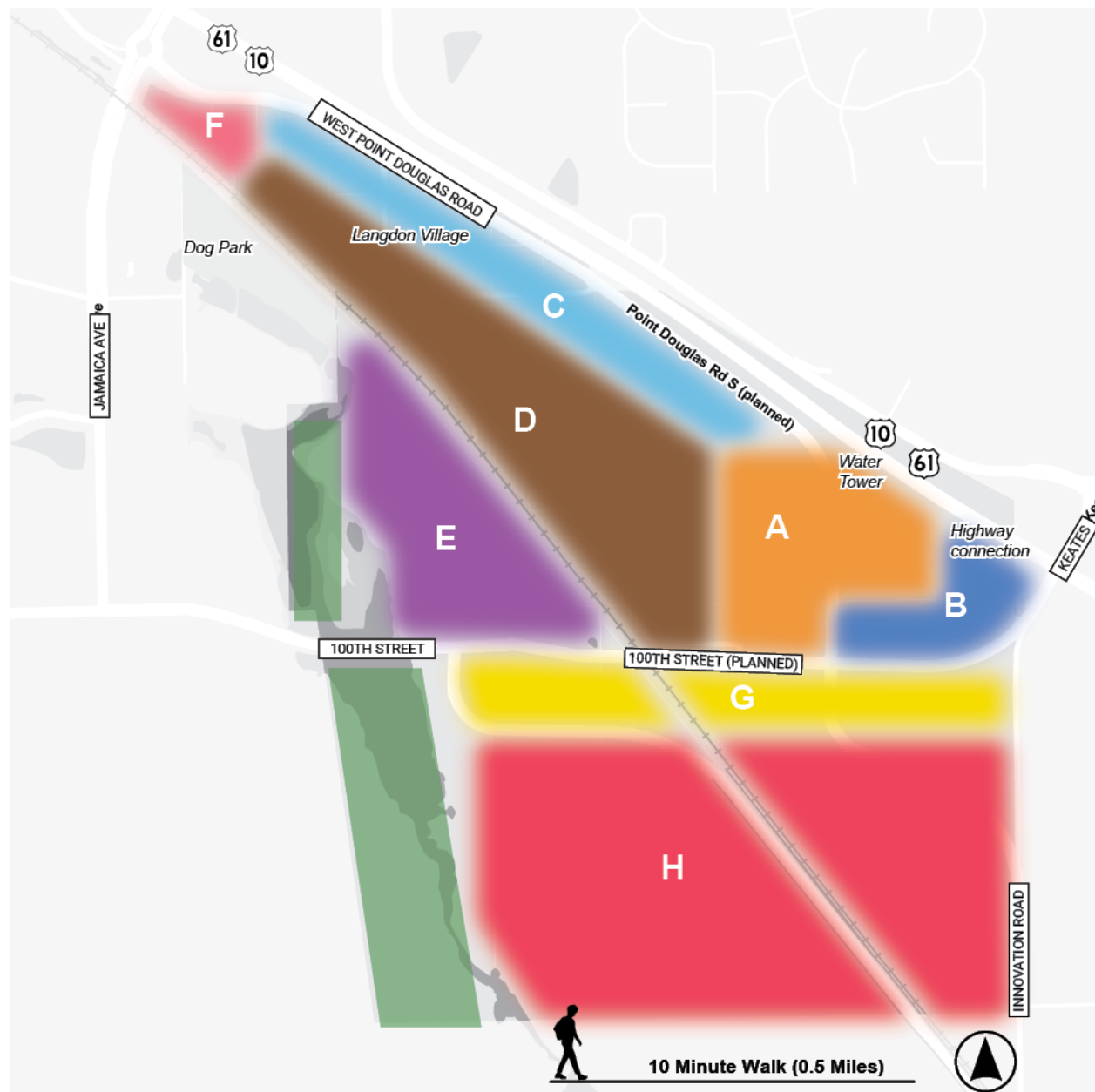
Figure 49: Trail Pedestrian Bridge Illustration

INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

4.2 Zones

This section separates the Concept Plan into eight zones as an organizational framework to break up this nearly 500-acre planning area into smaller bite-size pieces. These zones also help facilitate an understanding of the key drivers and features of the Concept Plan, and how each zone might uniquely rise to the challenge of meeting both market demand and Citywide and plan-specific goals. Zones A through H are shown below, followed by a detailed description of each Zone.



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Zone A

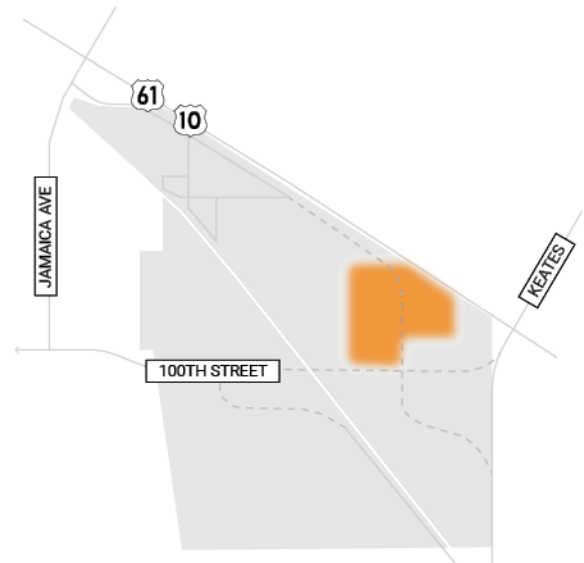
Intent: This area is intended to offer a setting unique in Cottage Grove for both nearby residents and local visitors. As the Focal Point for Innovation Village, an outdoor gathering space can be programmed with a farmers market or small community event, or it can be a quiet place to hang out with neighbors. Creating a place that is distinctive and amenity-rich will attract specialty retailers that want a unique atmosphere.

Market Conditions

- No better place in Cottage Grove for midrise apartments, especially vertical mixed-use buildings.
- There is a gap in the market for distinctive retail that creates a “place”.

Physical Conditions

- Area near the intersection of two new streets.
- No physical development constraints.
- Most desirable location for a “focal point” based on the planned road network - accessible to highway and new 100th Street but not directly on either.



Precedent Images



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Zone B

Intent: This is the best location in the Study Area for traditional highway commercial since it has the best visibility and access from the highway. This may be the first area to redevelop since there is market demand for more commercial locations along Highway 61. Its future development relies on 3M's interest in working with a developer to change its current use.

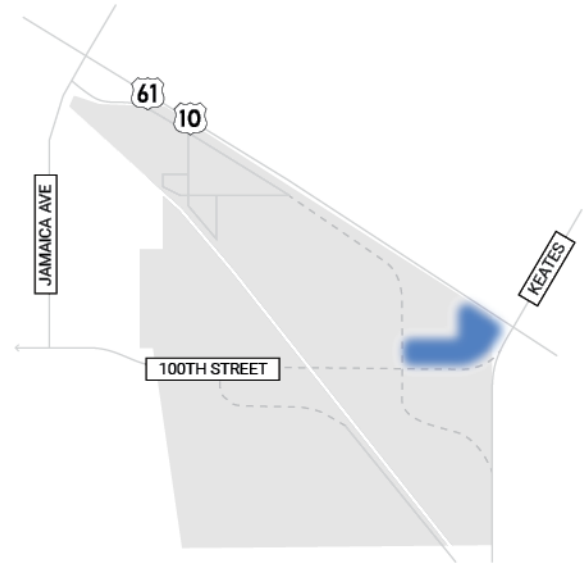
Market Conditions

- Most attractive location for highway-oriented retail, such as a gas station or fast food restaurant.

Physical Conditions

- Best highway access and visibility.
- No known physical development constraints.
- Due to County access and intersection spacing requirements, access along future 100th Street is unlikely. This area will need to be accessed from West Point Douglas Road.

Precedent Images



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Zone C

Intent: The Metropolitan Council projects up to 6,000 additional housing units in Cottage Grove by 2050. Buildings near the highway can have visibility with height. A planned trail along West Point Douglas Road would be a recreation amenity for residents. The area already has potential redevelopment opportunities with the Majestic Ballroom site that will receive high demand once it has planned utility access.

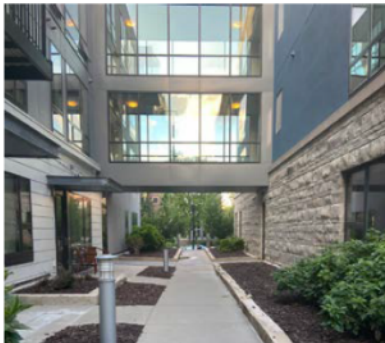
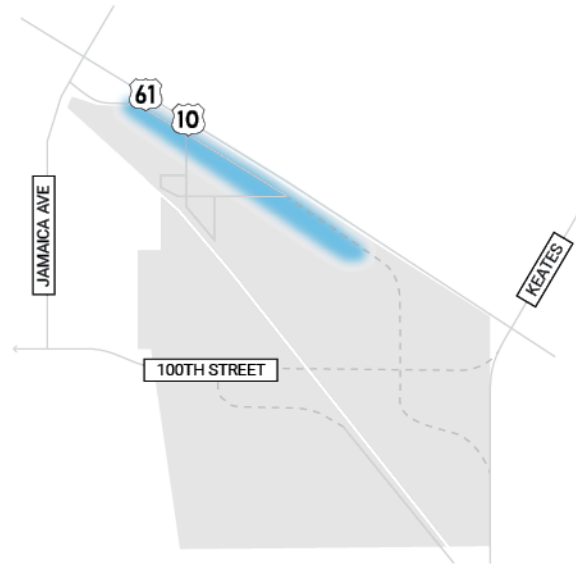
Market Conditions

- A good location to fill deficit and demand for apartments in Cottage Grove.
- Taller buildings may be possible here to elevate above the highway.

Physical Conditions

- Good highway frontage and visibility.
- Includes City-owned properties.
- Possible redevelopment opportunities.

Precedent Images



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Zone D

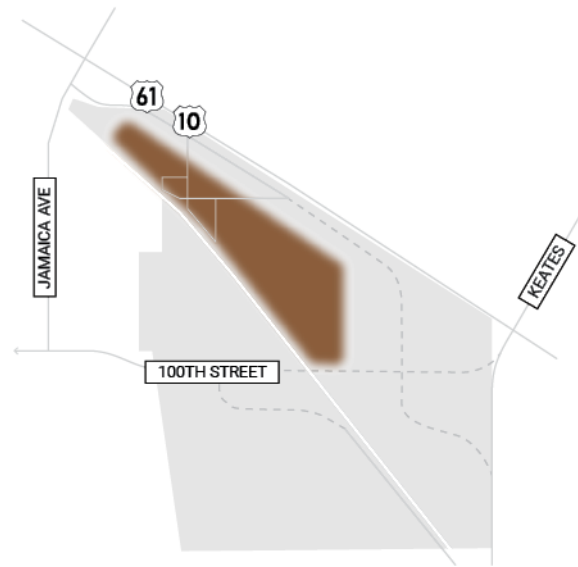
Intent: New housing in this area should build on the historic character of the existing Langdon Village with a variety of housing types and densities that feel neighborhood-oriented. The existing grid street pattern can be extended to create human-scaled blocks with other amenities to maintain the history and character of this part of Cottage Grove.

Market Conditions

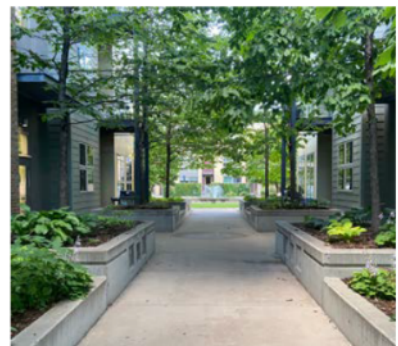
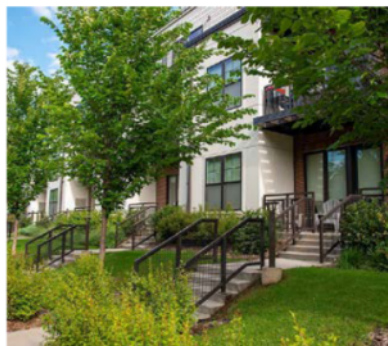
- One of the best locations to meet housing demand and population projections.
- Opportunity to diversify housing types.

Physical Conditions

- Includes existing Langdon Village community.
- Bordered by rail corridor.
- Separated from highway traffic.
- Includes City-owned and some original historic Cottage Grove buildings.



Precedent Images



Zone E

Intent: This area would be a quiet enclave for a residential neighborhood, especially if it is amenitized with recreational paths in the nearby wetland feature. Residents would have good access to 100th Street and its adjacent trail. It is too isolated for commercial uses, and likely even industrial uses.

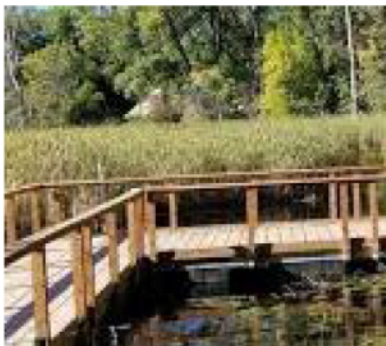
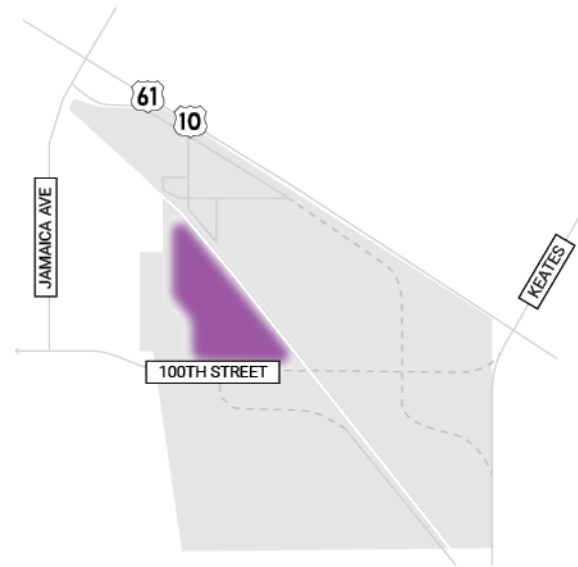
Market Conditions

- Demand for housing strong enough to also develop more, diverse housing types here.

Physical Conditions

- Isolated enclave, sense of protection, makes the most sense for housing.
- Bordered by rail corridor and wetland area, opportunities to create an amenity along both.
- Will have direct access to new 100th Street.
- Further away from highway traffic.

Precedent Images



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Zone F

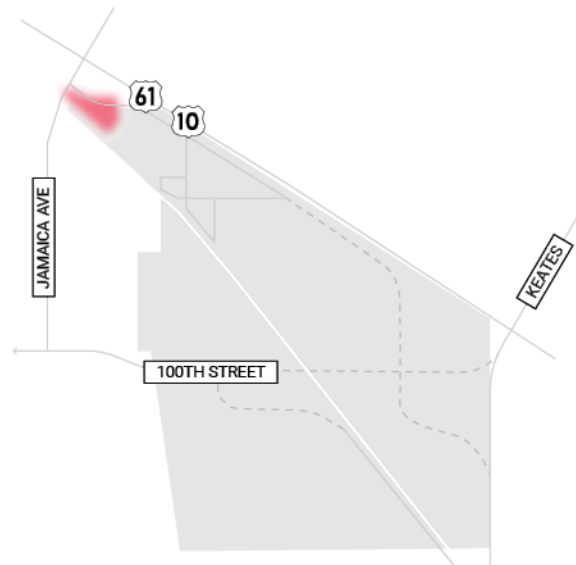
Intent: The storage facility is likely to be at this site for the long-term and could be a quiet neighbor to future adjacent development. If it does redevelop, retail and/or housing could contribute to a future Bus Rapid Transit station in the northwest quadrant of the Jamaica Avenue interchange.

Market Conditions

- Existing use likely to remain, at least short-to-medium term.
- If redeveloped, good proximity to future transit, potential for retail and/or housing.

Physical Conditions

- Highway access and visibility.
- Existing land use is storage facility.



Precedent Images



INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan

Zone G

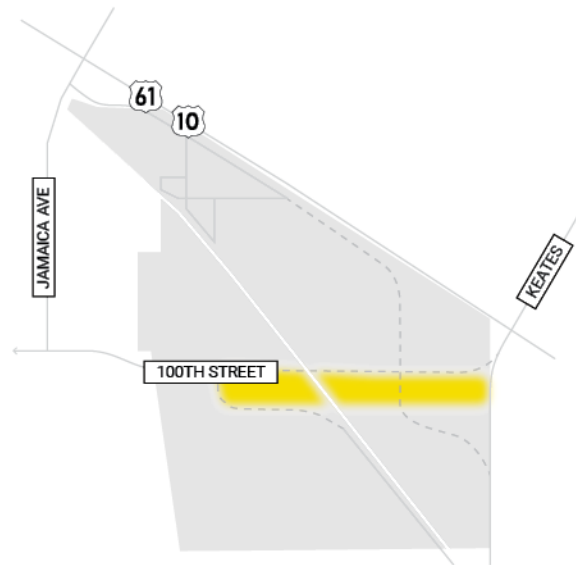
Intent: The market analysis revealed that most jobs in Cottage Grove are lower wage. The area presents an opportunity to bring more 21st century industrial businesses with higher wage jobs for Cottage Grove residents. Employees would be able to walk to the Focal Point and its amenities.

Market Conditions

- Knowledge economy business park may like location.
- Could meet need for higher wage jobs in the city.
- Demand for industrial land in Cottage Grove will continue.

Physical Conditions

- Along planned 100th Street, likely access to extension of West Point Douglas Road.
- Proximity to 3M facilities.
- No known physical development constraints.



Precedent Images



Zone H

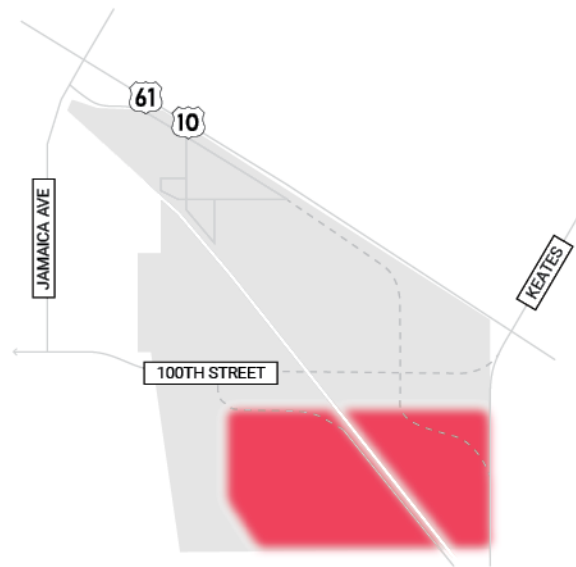
Intent: Development in this area is likely to be a longer-term goal, and demand depends on how the rest of the Study Area builds out. Its future development relies on 3M's interest in working with a developer to change its current use.

Market Conditions

- Demand for industrial land in Cottage Grove will continue.

Physical Conditions

- Limited visibility from highway.
- Proximity to 3M facilities.



Precedent Images



5 Implementation

Implementation of the Innovation Village Small Area Plan vision fully revolves around the opening of the 100th Street extension. While no major changes in the Study Area are likely without this infrastructure, a series of steps should begin the day after adoption by the City Council to set this Plan in motion so every important detail is in place when that opening day arrives.

Because plan implementation requires both proactive and reactive steps for the City of Cottage Grove to take, this chapter is organized in multiple ways to serve the needs of City staff.

To revisit information in the Introduction of this plan, the City of Cottage Grove's two main roles for realizing the full potential of this plan are to:

Act proactively by:

- Making decisions for the future of publicly owned sites.
- Acquiring additional land at fair market value for public improvements.
- Programming streets, trails, parks and other infrastructure into the capital budget over time.
- Updating the comprehensive plan and zoning to match the Plan's land use direction.

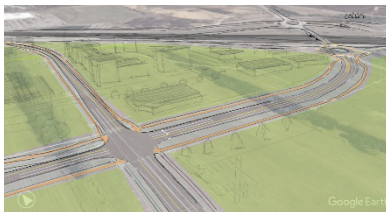
Act reactively by:

- Evaluating development proposals against this Plan (responsibility of City Planning Staff and the City Council).
- Guiding property owners on land use and zoning if/when they want to sell.
- Requiring developers to build necessary infrastructure as part of their development plans.
- Working with developers on how to maximize the benefit of their park dedication fee.

While the plan is not expected to be implemented exactly how it is laid out in the Concept Plan, this chapter identifies the actions that should be taken by the City of Cottage Grove and potential barriers to realizing the plan's vision.

5.1 Key Actions

This section outlines a strategic approach to implementation of this plan through policy and regulatory changes that set the framework and standards for both public and private investment, and a phasing strategy to show the City's commitment to realizing critical pieces of the plan's public realm priorities. Key Actions highlighted in this plan include:



100th Street: This County road will likely open in 2028 along with the connect of West Point Douglas Road and new utilities connecting into the Study Area. Once the road and utilities have been constructed, sites are expected to have immediate demand for change. The City will need to work proactively to set up the regulatory framework so no opportunities to realize the plan's full vision are lost when development pressure comes.



Local Street Network: The grid pattern of new local streets in the Study Area takes its cues from Langdon Villages layout of parcels and streets. While it is expected these streets will be built as part of proposed development, the intention is that they fulfill the priorities in this plan for a connected street grid with sidewalks and two-way traffic.

INNOVATION VILLAGE

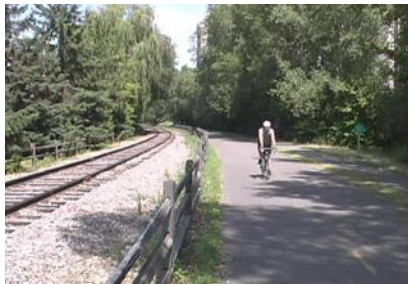
Highway 61 and Innovation Road – Small Area Plan



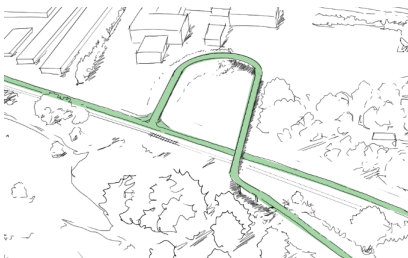
Zone A Focal Point: The Focal Point along the extension of West Point Douglas Road will be the most challenging strategy to implement but will reap the most rewards for the broader community. While a direct sale between a developer and 3M is the likely course, the City will influence the design and ownership of connected streets and a premier plaza space. The City of Cottage Grove will need a more concrete strategy for adjusting regulations to meet the ideal standard of vertical mixed-use development.



Langdon Village Neighborhood Park: The existing residents of Langdon Village have lived in an enclave of the city that is quiet and tight-knit. While these traits have been an asset, residents are also not connected to an efficient roadway and trail system and lack access to park amenities that other parts of the city benefit from. A small neighborhood park will enhance the community feel and offer a strong expansion of neighborhood amenities to future nearby residents.



Innovation Loop Trail: The trails proposed along the rail corridor connect to planned trails along the new roadway expansions of both 100th Street and West Point Douglas Road. The proposed trails are imagined to have a linear-park feel with adjacent landscaping and should offer good wayfinding signage for residents to take a walk or bike a loop around the neighborhood. Connections to the broader trail network purposefully integrate Innovation Village with the rest of the Cottage Grove community.



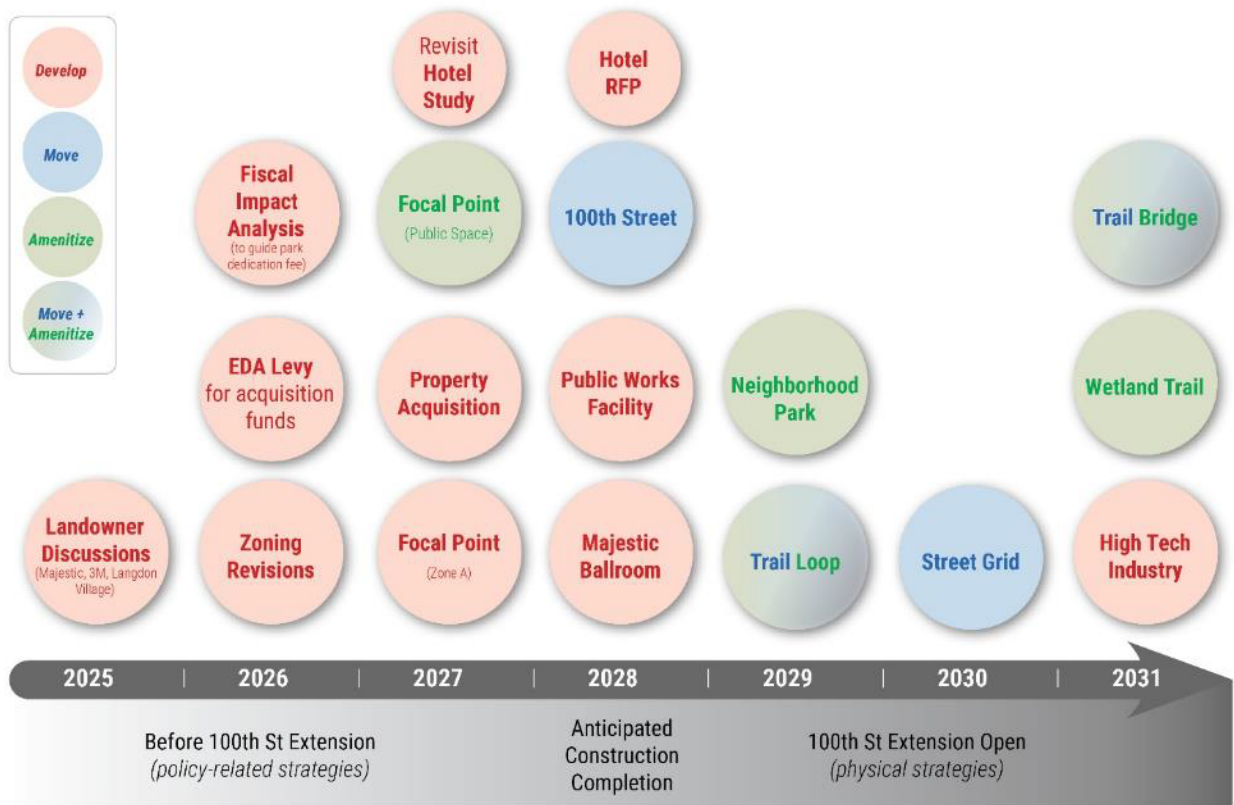
Trail Pedestrian Bridge: A pedestrian bridge over the rail corridor is an ambitious undertaking, but it will be worthwhile particularly when Innovation Village has established itself as a complete residential community. The space on either side of the rail corridor property should be preserved so the opportunity is not lost. The purpose of the trail pedestrian bridge is to make a connection across the tracks for residents to take advantage of the wetland amenity to the south.



Wetland Recreational Trail: The trail pedestrian bridge can bring residents through a system of wetlands that are currently unreachable on private property. A passive trail system can offer opportunities for walking, bird watching, and simply enjoying nature. This trail is a longer-term strategy once more residents inhabit Innovation Village.

5.2 Critical Path Timeline

The Critical Path Timeline assumes there is a sequencing of events required to achieve the full success of this plan. The timeline below assumes the 100th Street extension opens in 2028 and that many policy, regulatory, and programmatic steps need to happen to set up the area for the market demand expected with an expanded roadway network and utility services. Once the infrastructure is in place and functional, many of the key actions will be better positioned to come to fruition. Each of the Innovation Village Key Actions will need five years or more from plan adoption to obtain funding, phasing and acquisition, design, and construction completed, so this timeline should be seen as more of that “critical path” rather than specific deadlines to achieve.



5.3 Zoning and Future Land Use Recommendations

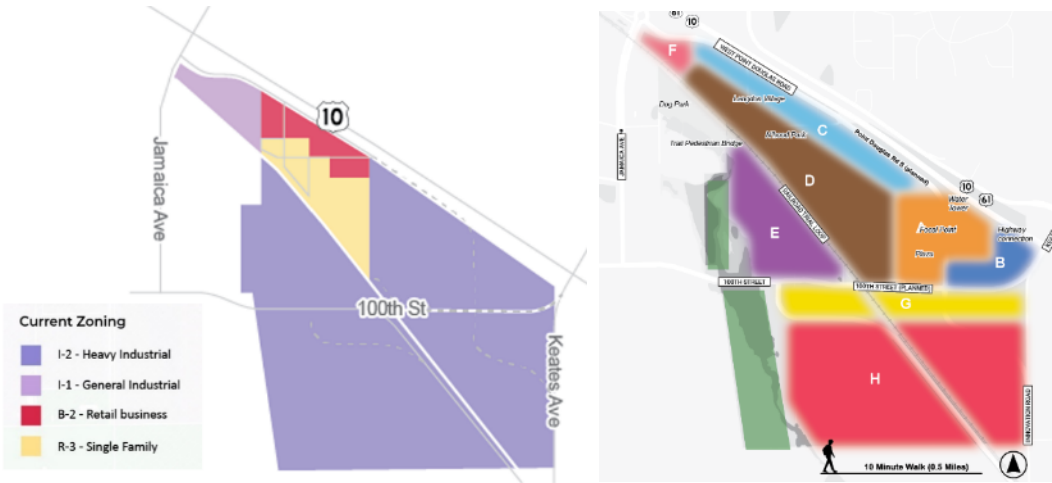
Implementation of this plan as presented will require changes to zoning and the Future Land Use Map in the Comprehensive Plan. This alignment of the The Plan with existing zoning and policy is particularly relevant when 100th Street opens with utility extensions to private properties.

The table below identifies recommended zoning district changes by each zone. The table on the following page presents Future Land Use recommendations.

Zone	Existing Zoning District(s)	Recommended Zoning	Notes
A	I-2	M-U	M-U is the best fit from existing districts, however apartments with commercial are conditional.
B	I-2	B-2	B-2 is the best fit which is slightly more restrictive than B-3 (which allows the following by right: adult uses, cannabis sales, construction and service shops, and furniture repair shops).
C	I-2, B-2	R-6	R-6 High Density Residential does not permit single family detached homes.
D	B-1, B-2, R-3, I-2	R-4	R-4 appears to be the best fit, although more research may be warranted to see if most missing middle types would fit into this district R-4 Transitional Residential purpose: to provide transitional areas that will allow a mixing of two-family dwellings and/or single-family dwellings on smaller lots where property is adjacent to a minor or major collector street and/or where property is adjacent to higher intensity development or land use.
E	I-1	R-4	R-5 Medium Density Residential does not allow single family dwellings by right.
F	I-2	M-U	This area is guided as mixed-use in the comprehensive plan.
G	I-2	I-1	I-2 is heavy industrial, whereas I-1 is general industrial.
H	I-2	No change	

INNOVATION VILLAGE

Highway 61 and Innovation Road – Small Area Plan



Zone	Existing FLU	Future FLU Alignment
A	Industrial	Mixed-Use
B	Industrial	Commercial
C	Industrial, Mixed-Use	High Density Residential
D	Mixed-Use, Industrial	Medium Density Residential
E	Industrial	Medium Density Residential
F	Industrial	Medium Density Residential
G	Industrial	No change
H	Industrial	No change

Highway 61 and Innovation Road – Small Area Plan



5.4 Property Phasing and Acquisition Strategy

Developers will approach participation in the Innovation Village vision with caution unless there are clear indications that the area will develop in the high quality manner envisioned in the plan. These strategies are focused on the main area of the proposed Innovation Village, between Highway 61 and the railroad right-of-way.

Infrastructure Development

Proactive investment in public infrastructure will be a key ingredient in attracting development to the area. That encompasses the 100th Street extension and bridge, and the extension of West Point Douglas Road.

The City of Cottage Grove should also be committed to consolidating park dedication fees from the area's development to acquire and build the public spaces in the Zone A Focal Point and neighborhood park near Langdon Village. A fiscal impact analysis for future development in Innovation Village can identify the approximate amount of park dedication fee garnered by the development and how much is needed to implement those two public spaces.

Consideration should also be given to proactively developing key sections of the multi-use trail system in initial years of implementation to give more confidence to the market that the public amenities are real, not just on a map.

Phasing

The first phase of development is likely to happen in and around the publicly-owned sites in Zones C and D. The City owns property surrounding the vacant Majestic Ballroom site and will likely issue a Request for Proposals (RFP) for both the publicly- and privately-owned properties. This may end up as the catalyst site that gives confidence to the market that the City of Cottage Grove is going to implement the vision for Innovation Village. To that end, City staff and decision-makers should aim for implementing the plan as true as possible to set up future development for doing the same. In the case of the Majestic Ballroom site, holding to the standards of dense housing with an interconnected street grid will be critical.



Figure 50: Study Area Aerial Map

Fostering the signature, mixed-use element of the plan in Zone A will take more concerted and coordinated effort to make a premier living and visiting destination. Since the land is owned by 3M as a private property owner, the City anticipates any future development will be a direct sale between 3M and a developer. The City would then work with that entity on land uses, design, and park dedication fee that can best achieve the vision. Subsidies may be warranted to incentivize vertical mixed-use development and a higher level of design and programming at the plaza. That will ensure the desirability of West Point Douglas Road frontage for other multifamily development projects, and open the door to the development of the lower-density multifamily neighborhoods in the rest of the plan area.

5.5 Implementation Matrix

The Implementation Matrix is considered the list of policies in support of the Innovation Village Small Area Plan. While intended to be robust and detailed, other strategies may arise that need more City staff and Council approval or formalization.

			THEMES / PRIORITIES						ANTICIPATED TIMING	LEAD	RESOURCES
CATEGORIES		STRATEGIES	<i>Comfortable and connected walks</i>	<i>Variety of living options</i>	<i>Economic differentiation and growth</i>	<i>Distinctive spaces and places</i>	<i>Environmental stewardship</i>	<i>MUST HAVE</i>			
DEVELOP (Land Use & Community Design)	Physical	Create buffer via berm and/or landscaping between railroad right-of-way and trail along north/east side of RR.	X			X	X			Developers	Park Dedication Fee
		Zone A: The "focal point" with vertical mixed-use, residential above ground floor commercial. Commercial development is envisioned as local, unique, and hip, with destination services.		X	X	X				City of Cottage Grove	EDA Levy for Acquisition
		Zone B: Commercial development which is more highway- or regionally oriented in nature, as the location with the most convenient access from the highway. This may include but is not limited to development such as a hotel, a gas station, and quick-serve restaurants.			X					Developers	
		Zones C, D, and F: An integrated mixture of medium and high density residential. The most intense/densest residential is proposed along or in closest proximity to Highway 61 and may feature a buffer between the highway via landscaping elements and trees.		X		X	X			Developers	Park Dedication Fee, EDA Levy for Acquisition
		Zone E: Maintain existing land uses in the near-to-medium term. Longer term, this area may be an opportunity for either mixed-use (residential and commercial), commercial, or higher-density residential that is highly compatible with residential neighbors to the south (i.e. good walking access to future small-scale businesses or development, or if more intense commercial development, a sufficient buffer).			X					Developers	
		Zones G and H: Reserved for industrial uses, with higher-quality building design fronting 100th Street in Zone G. These zones are intended to attract higher wage 21st Century business and jobs.			X					3M/Developers	
	Policy/ Program	Update the comprehensive plan for consistency with the small area plan.		X	X					City of Cottage Grove	
		Rezone the Study Area in accordance with the small area plan.		X	X					City of Cottage Grove	
		Create an EDA levy in support of necessary acquisition funds.		X	X					City of Cottage Grove	
		Work with developers to determine historic resources that are feasible to maintain and reuse.			X	X				Developers	Historic Preservation Tax Incentives
		Conduct a Fiscal Impact Analysis to determine how to use park dedication fees (and other tools) to implement Zone A plaza, Zone D neighborhood park, and new trails.	X			X	X			City of Cottage Grove	
		Create plan with City Council to move Public Works facility out of Study Area to make room for private development on site.		X	X					City of Cottage Grove	
		Coordinate any sale/RFP of Majestic Ballroom site to maximize benefit of consolidated City-owned properties.		X	X					City of Cottage Grove	
		When possible, create RFPs for City-owned sites to better promote sites for development types unique to Cottage Grove and to further control site design, infrastructure needs, and land use in the development agreement process.		X	X					City of Cottage Grove	
	Physical	Create a transportation trail/linear park along the north/east side of the RR that connects into existing trail system.	X			X	X			City of Cottage Grove	Federal Transportation Alternatives (TA) and

			THEMES / PRIORITIES						ANTICIPATED TIMING	LEAD	RESOURCES
CATEGORIES		STRATEGIES	Comfortable and connected walks	Variety of living options	Economic differentiation and growth	Distinctive spaces and places	Environmental stewardship	MUST HAVE			
MOVE (Access and Mobility)											Recreational Trails Program (RTP), RAISE Grant
		Build a trail pedestrian bridge over railroad right-of-way near 96th St S that connects either side of the RR, creating opportunities for trail connections between: WAG Farms Dog Park, proposed parks/trails on either side of RR ROW, existing/proposed residential on either side of RR ROW, proposed amenitized water bodies, trail system along future 100th Street extension, and Ravine Park.	X			X				City of Cottage Grove	RAISE Grant
		Require developers to build a gridded street pattern consistent with this plan between existing Langdon Village residents, West Point Douglas Road, future 100th Street extension, and RR ROW. All new streets will have sidewalks.	X	X				X		Developers	
	Policy/ Program	Connect future residential north/east of the RR ROW to the proposed RR trail. All future cul-de-sacs or roads nearest the RR trail should have a trail connection.	X	X						Developers	
		Begin conversations with Canadian Pacific Railway about the plan's recommendations and any constraints that need to be accommodated with future improvements. Reintroduce "quiet zone" discussion.	X							City of Cottage Grove	
AMENITIZE (Parks and Public Space)	Physical	Create or reserve space (at least 0.5 acres) within Zone A on the west side of West Point Douglas Road for a public space, that may serve as more of a plaza space where, for example, a café might spill onto.			X	X				City of Cottage Grove	Park Dedication Fee
		Create or reserve space in the north of Zone D, near or surrounding the historic school building, for a neighborhood park that is consistent with City standards.				X				City of Cottage Grove	Park Dedication Fee
		Create a scenic trail/boardwalk through the wetlands owned by 3M in Zone F that connects to the pedestrian bridge and existing/proposed trail network.	X			X	X			City of Cottage Grove	
	Policy/ Program	Develop simple wayfinding for "Innovation Loop", the new trail system through the Study Area that is connecting to trails along 100th Street and north of Highway 61.	X							City of Cottage Grove	Federal Transportation Alternatives (TA) and Recreational Trails Program (RTP), RAISE Grant
ACTIVATE (Marketing and Branding)	Physical	Identify and implement opportunity for public art at focal point in Zone A as part of "cultural placekeeping."				X				City of Cottage Grove	National Endowment for the Arts Our Town Grant
	Policy/ Program	Define the neighborhood by establishing a brand/identity.			X	X				City of Cottage Grove	National Endowment for the Arts Our Town Grant
		Creating a programming plan for the plaza space in Zone A which could include moving an existing community festival to that location.			X	X				City of Cottage Grove	National Endowment for the Arts Our Town Grant



Economic Development Authority Action Request

8.B.

Meeting Date 5/12/2026

Department Economic Development

Agenda Category Presentation

Title Business Retention and Expansion Program Workshop

Staff Recommendation Receive the Workshop Presentation.

Budget Implication

Attachments

1.	EDA Work Shop item Business Visits 5-12-2026
2.	BRE Business Visit Intake Form



TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: May 12, 2026

RE: EDA Workshop Item #1 – Business Retention and Expansion Program

Discussion

Economic Development staff has prepared a presentation to the EDA Board regarding current and future strategies to develop a business retention and expansion program, which follows the outline listed below. Staff will also be using a business intake form to document the visits.

Goal:

1. Make lasting relationships between business leaders, city staff, and elected/appointed city officials.
2. Lead with value-add mentality when interacting with business leaders.
3. Make frequent contact with business leaders at a regular cadence.
4. Be prepared to assist business leaders when called upon.

2026 Objectives:

- 24 business visits; at least 12 in-person meetings
- Introduction of new Economic Development Manager
- Coordinate with Chamber of Commerce President
- Keep EDA Board informed
- Track trends throughout conversations.

Discussion Template for Business Visits:

- Gain an understanding of the company history.
- Build rapport with the business representatives (i.e. inquire into their roles/responsibilities).
- Gain an understanding of outlook of the company (i.e. growth, decline, employment needs).
- Commit to helping business thrive; bring ideas to the meeting with specific resources.
- Follow-through on commitments and set expectations on communications in the future. Keep the conversation open.

Tracking:

- Always maintain database on when conversations occur and what was discussed.
- Identify opportunities to streamline data collection for future reporting needs.
- Set expectations on future reporting opportunities.
- Complete business intake form.

Business “Snapshot” Updates (Updated as of 4/30/2026)

- Number of Business Visits Completed: **11 (9 in-person visits)**
- Type of Visit: **5 Initial Visits; 3 Issue-focused visits; 3 Expansion-related visits**
- Business Performance: **9 Businesses experiencing growth; 2 businesses are currently stable**
- The following are key opportunities defined by businesses visited:
 - Growth leading to expansion projects (existing facilities and new construction)
 - Client lists growing
 - Diversifying revenue
 - Sales increasing
 - Engage with City events/officials more.
- The following are key challenges defined by businesses visited:
 - Rising cost of goods
 - Aging buildings requiring additional investment and inadequate to service growth
 - Identifying available sites for new construction
 - Identifying and receiving outside grant opportunities
 - State agency approvals
 - Hospitality industry is unstable
- Current facility needs: **7 businesses need additional space; 3 businesses renovating existing space; 1 business has adequate facility needs**
- Public Infrastructure needs: **Adequate public infrastructure**
- Hiring Challenges: **Workforce is adequate for businesses visited**
- Interest in Workforce Programs: **2 businesses interested in workforce programs**
- The following are items staff will follow up on as defined by businesses visited:
 - Access to DEED Incentives
 - Access to local incentives (façade improvement program and tax incentives)
 - Business development services from MCCD
 - Site plan review by City Staff
 - Ribbon Cutting information
 - Introducing other city staff

Questions for the Board

In preparation for the BR&E Discussion, staff have prepared the following questions for Board members to consider.

1. What is the EDA’s desired goal for conducting business visits? Intended Outcomes?
2. How engaged do Board members want to be with business visits? Reporting? Joining visits? Offering contacts?
3. What are the expectations of the board regarding reporting by staff?
4. Where do we go for 2027 goals? Formal survey with more businesses?



Business Retention & Expansion (BRE) - Business Visit Intake Form

Business Information

Business Name:

Industry Sector:

Address:

Primary Contact Name:

Title:

Phone:

Email:

Website:

Visit Details

Date of Visit:

Staff Conducting Visit:

Type of Visit (Initial / Follow-Up / Expansion-Related / Issue-Focused):

Current Business Climate

Business Performance (Growing / Stable / Declining):

Key opportunities or positive developments:

Key challenges or concerns (workforce, supply chain, facilities, permitting, etc.):



Facility & Infrastructure

Facility or space needs (Expansion / Relocation / Renovation / None):

Infrastructure issues (utilities, broadband, transportation, etc.):

Workforce Needs

Current hiring challenges:

Interest in workforce programs? (Yes/No):

Support & Follow-Up

Requested resources or assistance (workforce, financing, permitting, counseling, etc.):

Immediate follow-up actions required:

Confidentiality

Information collected is confidential and used only for BRE purposes unless permission is granted.