COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY

July 14, 2026

12800 RAVINE PARKWAY SOUTH
COTTAGE GROVE, MN 55016

COUNCIL CHAMBER

- 7:30 AM

1 Call to Order

2 Pledge of Allegiance

3 Roll Call

4 Approval of Minutes

A Approval of May 12, 2026 EDA Meeting Minutes
Staff Recommendation: Approval of May 12, 2026 EDA meeting minutes.

5 Business Items

A Community Development Update
Staff Recommendation: Receive the Community Development Update.

B Agreement for Professional Services - Dowdle Studios, LLC
Staff Recommendation: Approve Agreement for Professional Services with Dowdle Studios, LLC authorizing online sales assistance for the remaining inventory of City of Cottage Grove jigsaw puzzles.

C Resolution Designating a Certain Building as Structurally Substandard - Majestic Ballroom
Staff Recommendation: Adopt Resolution 2026-004 which designates the Majestic Ballroom a substandard building in accordance with the laws governing a redevelopment tax increment financing district.

6 Public Hearings

7 Other Business

8 Workshop

9 Presentations

10 Adjournment

Economic Development Authority Action Request

4.A.

Meeting Date	7/14/2026
Department	Economic Development
Agenda Category	Action Item
Title	Approval of May 12, 2026 EDA Meeting Minutes
Staff Recommendation	Approval of May 12, 2026 EDA meeting minutes.
Budget Implication	
Attachments	1. 2026-05-12 EDA Meeting Minutes

COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY **May 12, 2026**
12800 Ravine Parkway South
Cottage Grove, MN 55016
COUNCIL CHAMBER - 7:30 A.M.

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

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

EDA President Bailey-Here; EDA Vice President Olsen-Absent; EDA Member Jean-Baptiste-Here; EDA Member Khambata-Absent; EDA Member Latack-Absent; EDA Member Scott-Here; EDA Member Tschida-Here.

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

Others Present: None.

4. APPROVAL OF MINUTES

A. *Staff Recommendation: Approve the April 14, 2026 Economic Development Authority Meeting Minutes*.

EDA Member Scott made a motion to approve the April 14, 2026 Economic Development Authority Meeting Minutes; second by EDA Member Tschida. Motion carried: 4-0.

5. BUSINESS ITEMS

A. Community Development Update
Staff Recommendation: Receive the Community Development Update.

EDA President Bailey said Nate's going to take us through this.

Economic Development Manager Nate Carlson said Good Morning, President Bailey and Members of the Board. I'll give you the Beige Book highlights, as well as a Community Development Update.

From the Federal Reserve Bank of Minneapolis, the following economic activities occurred since the last report: Economic Activity: Has increased slightly. Employment: Rose slightly. Labor Demand: Is positive. Prices: Increased moderately. Wage Growth: Was moderate. Manufacturing, Energy, Commercial Construction, Commercial and Residential Real Estate: Have all increased. Residential Construction and Consumer Spending: Were flat. Agriculture Conditions: Continue to remain weak.

Development Updates: Park Grove Library: Currently, demolition has occurred, and they're working on rebuilding the exterior. Waiting on Xcel Energy to disconnect gas and electrical utilities within the building to continue with demolition of a portion of the building and the parking lot. The new section of the foundation and relocated utilities will start once Xcel has completed their work. Cottage Grove Middle School: Is making progress on the interior storefront frames, glass, and doors. Installation of the interior cabinets is underway. Oltman Middle School: Is also making additional progress with installation of concrete stoops for the new entrances, and the windows for the cafeteria addition have started.

Planning Projects: Two major apartment projects that are currently under construction: Roers Apartment: Installation of the foundation drain tile has started. Installation of the foundation footings and block walls continue. You can see it going up along Highway 61. Hadley Ridge Apartments: Installation of the precast columns, beams, and hollow core slabs are complete, for the parking structure below. Installation of the underground plumbing, civil storm pipes, and wood frame walls have also started. Cedarhurst Mansion Project: Framing for the atrium has started after some significant tree clearing. Water Tower: The installation of the interior concrete slab is complete. The surface preparation for painting the exterior steel tank has begun. It's my understanding the tank will also go up here soon.

Nate said that's all I have. EDA President Bailey said all right, thank you. I was laughing because Jennifer looked all excited, she's waiting for that tank to go up on there.

Administrator Levitt said well, Mayor, Members of the EDA, today is a very big day. Today, we approved the logo placements on the tank, and so the tank should lift on Sunday. So, if you don't have anything to do on Sunday, you can come out and watch that steel bowl be lifted to the stop of the concrete pillars.

EDA President Bailey said only our engineer. All right, thank you, and thank you, Nate.

B. Country Inn & Suites - Façade Improvement Program Application
Staff Recommendation: Approval of Façade Improvement Grant Request for the Country Inn & Suites.

EDA President Bailey said Nate, you're going to walk us through the next few, actually.

Nate replied yes, sir. President Bailey and Members of the Board, I have two Façade Improvement applications for your review today.

The first, and I bring it to you first, prior to the second one, because it was the most complete application, and it's from the Country Inn & Suites. I had a great conversation with the owner to get a better sense of the operations of the business, as well as the hospitality industry. They're also trying to engage more with our Convention and Visitors Bureau (CVB), so we have some upcoming meetings to set and coordinate with our CVB team with the owner of the Country Inn & Suites. But in the meantime, he is also looking at doing some major improvements to the exterior façade, and so that is what we have before you today.

As a reminder, the program started in 2019. It's a grant-based reimbursement program based on a 50% match. The purpose is meant to beautify buildings, increase consumer awareness, and sustain a healthy commercial building stock. As far as criteria is concerned: It needs to be within Cottage Grove, encourage improvements to surrounding businesses, and it needs to be consistent with the Comprehensive Plan and City Codes, and it needs to be zoned for business and it cannot be a residential project.

So, after my review of the eligible costs, the Country Inn & Suites is eligible to receive the maximum grant award of $24,999. On the graph below here, you can see a number of things that they would be working on for the exterior façade.

Nate said I have a motion prepared, and I can take any questions.

EDA President Bailey said all right, so, EDA Members, are there any questions for Nate on this application?

EDA Member Tschida said I guess all I have is a budgeting question. So, this is the maximum grant award, and I know we gave a maximum grant to The Madison earlier this year, I believe. Nate said that's correct. EDA Member Tschida said, so, with the next application, I guess my understanding is we have the ability to do two of these a year, so I guess how are we shifting funds around to figure that out?

Administrator Levitt replied Mayor, Members of the EDA, in previous years we haven't actually awarded the full amount, I think we've budgeted up to $75,000, and in previous years, we actually haven't used the full value. So, we would just use essentially Fund Balance from last year to supplement this year's because I think this year, I think we're at $50,000 in the budget.

EDA Member Tschida said okay, so, I mean, we're able to roll from one year to another? I don't know exactly how we set our budget, but it's my understanding that would normally fall to the bottom line, you know, in my understanding.

Brenda Malinowski, Finance Director, replied Board Member Tschida, yes, we would see if there's some available funding within the current year budget; you know, we can move some lines to another, but the other thing is if we go over in total of the budget, we would use Fund Balance. So, then we'd bring an Amendment back at that time, but we think we're okay because we can use that Fund Balance if necessary.

EDA Member Tschida replied okay, perfect. Thank you.

EDA Member Jean-Baptiste said just a quick follow-up question to that. Do we know how much funds we have from the previous year that we are able to roll over this year without dipping into other balances?

EDA President Bailey replied she's looking, I can tell.

Director Malinowski replied we had $137,000 in the Fund at year end, so that would be available for that.

EDA Member Baptiste said, got it, thank you.

EDA President Bailey said yeah, and I would just mention, and it was a good question earlier, because I know there was, especially during COVID years, there wasn't any, we kind of rolled it, so there was nothing happening during those years, so.

EDA Member Tschida said I guess of that $137,000 in that account, is that only for this program, or does that cover other things as well?
Director Malinowski replied that covers everything EDA related. So, if it wasn't used for Façade Improvements, it could be used for other EDA-related items.
EDA Member Tschida said okay, so, if another project comes to us later in this year kind of a thing. Perfect, thank you.

EDA President Bailey asked if there were any other questions at this point, none were asked. He said all right, as you can see, there is a motion and a second that we need to make.

Recommendation, By Motion:
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.

Motion by EDA Member Tschida to 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; second by EDA Member Scott. Motion carried: 4-0.

C. Voltas - Façade Improvement Program Application
Staff Recommendation: 1) Approval of Façade Improvement Grant Request for Voltas. 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.

EDA President Bailey said we'll move to the next one, which is the final one for the year, which is Voltas Façade Improvement Program application.

Nate said President Bailey, Members of the Board, a secondary Façade grant that I was also working in tandem with the Country Inn & Suites was with a new business in the Industrial Park, Voltas; it's off of 97th Street, in the previous Advance Corporation building, if you're aware of that. They're a med tech company, so in addition to creating their own medical technology, they are providing entrepreneurial kind of development space, so some new clean rooms that they're implementing in the building, to offer entrepreneurs and startups opportunity to work on their technology.
So, with that said, they have submitted an application for the Façade grant. There's a significant amount of landscaping to be done, exterior paint, and a building sign, with a total project of almost $13,500. However, of the eligible costs, that's $6,551, because we do reduce landscaping to 25% as eligible costs of the total cost, with a max award of just about $3,276.
Nate said I'll say so I have a motion prepared for the award, but also secondarily directing staff to hold future applications for 2027 when we have additional funds available for the program.
EDA President Bailey said which kind of goes to what EDA Member Tschida was talking about earlier, exactly. Okay, any questions on this particular one? None were asked. EDA President Bailey said all right, then in this case, we have two motions, one is regarding the award, and the other one is holding any future applications until 2027.

Recommendation, By Motion:
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.**

Motion by EDA Member Tschida to 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; second by EDA Member Scott. Motion carried: 4-0.

Motion by EDA Member Jean-Baptiste to direct staff to hold future applications until 2027 when additional funding will be made available for the Façade Improvement Program; second by EDA Member Tschida. Motion carried: 4-0.

D. TIF Agreement Amendment for Roers Housing Project
Staff Recommendation: Adopt Resolution 2026-003, which amends the TIF Agreement and Declaration of Restrictive Covenants with Roers to include rent restrictions on affordable units.

EDA President Bailey said and Nate, you're taking this one, too.

Nate said yes, sir. President Bailey, Members of the Board, you may recall, so in my Community Development Update, we have Roers is doing an apartment project, off of Point Douglas there. We did approve a TIF Agreement in November, 2025; it's a Housing TIF, so with the Housing TIF Statute, there are requirements for Affordable Housing within that State Statute. At the time we approved that TIF Agreement and the corresponding documents to abide by the Statute, which only applies to income restrictions on projects, not rental restrictions. They did begin construction in January, 2026, and the developer, Roers, has since come forward requesting an Amendment to the TIF Agreement and corresponding documents, to also include rental restrictions.

Why would they ask for this? Well, they are going after the 4d Tax Classification from the State of Minnesota, and the State of Minnesota is requesting that this TIF Agreement hold the rental restrictions for the property as the overriding document that confirms that 4d Tax Classification. And, so, what staff has prepared, in coordination with our attorney, is an Amendment to the TIF Agreement, as well as the Declaration of Restrictive Covenants. That Declaration will be recorded against the property to maintain that Affordable Housing, so long as the TIF District is in place.

So, all that said, we have a Resolution prepared for the EDA to approve, which amends the TIF Agreement and that Declaration of Restrictive Covenants, to include rent restrictions.

Recommendation, By Motion:
Adopt Resolution 2026-003, which amends the TIF Agreement and Declaration of Restrictive Covenants with Roers to include rent restrictions on affordable units.

EDA President Bailey said all right, thank you, Nate. Are there any questions on this one?

EDA Member Jean-Baptiste said so, I kind of have two separate questions. The first one is can you walk us through kind of like the, maybe with an example of the difference between the rental restriction and the income restriction?

Nate replied certainly, thank you, Member Jean-Baptiste. So, when it comes to income restrictions, in this project in particular, the developer, Roers, committed to 29 units at 50% Area Median Income (AMI). So, the tenants themselves have to go through an income verification process to confirm that the unit they're going into is an approved 50% AMI, and then they also have an additional 8 units at 60% AMI. So, really, when it comes down to income restrictions, the future tenant just has to meet that income threshold. They can charge market rent for that unit so long as their income qualifies for that unit, whereas rental restrictions, they need to do both; they need to have income verification and a rental restriction that needs to be 30% of that income, it cannot exceed that, so then rent is restricted based on which unit they go into, whether it's 50% AMI or 60% AMI.

EDA Member Jean-Baptiste said understood, thank you for that. My second question is I'm somewhat familiar with the 4d program in other cities, such as Minneapolis and St. Paul. I know that in those cities, the City typically has some sort of administrative component involved with it, where they're certifying the 4d status on an annual basis, kind of also setting up what the maximum rent should be, including utility allowance and things of that nature. Will the City of Cottage Grove have a similar role? Because I know at least, correct me if I'm wrong, as of right now, we don't necessarily have an Administrative 4d Department.

Nate replied I will defer to our Finance Director, Brenda Malinowski, on that question, thank you.

Director Malinowski replied thank you, Board Member Jean-Baptiste. Right now, they don't send those applications to us, but they send them to the State, and so, we've been involved in the past if there's been questions from residents of that housing; we're verifying with the State that those were turned in. And, remember, with that program, that in order for them to qualify for that 4d classification with the County for taxes, that has to be turned into the State; and, so, whether it comes into the City first and then goes onto the State, they can't qualify for that if they don't complete that required paperwork with the State. And, so, that's based on State Statute.

EDA Member Jean-Baptiste said got it, thank you.

EDA President Bailey asked if there were any further questions on this particular topic, and none were asked.

Motion by EDA Member Scott to Adopt Resolution 2026-003, which amends the TIF Agreement and Declaration of Restrictive Covenants with Roers to include rent restrictions on affordable units; second by EDA Member Jean-Baptiste. Motion carried: 3-1 (Nay vote by EDA Member Tschida).

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 County Road 19A/100th Street project corridor and surrounding 3M-owned parcels.

EDA President Bailey said Administrator Levitt will present this to us, so here you go, Jennifer.

Administrator Levitt said well, EDA President and Members of the EDA, once again you're going to hear and maybe feel my passion for all my engineering days coming back, so, I will apologize. As we talked about in last month's EDA Workshop, we talked a lot about 100th Street and the Langdon Area development. We talked a lot about pursuing funding for that 100th Street work, we talked about the different partnerships and grants that we already have to date.

So, as we move into the anticipated construction of 100th Street, next year at least being able to utilize the money that we have to date and not lose it, we are proposing that we would move towards bidding a project late this fall, with construction starting next year. As part of that, the realignment, as you can see 100th Street cuts across the 3M property; we've been working with 3M for a number of years in regards to this alignment, and they have committed to it. So, as part of the action that we're asking for today, is they have anywhere between 14 and 17 properties that we would actually need to plat to enable this to occur. The nice thing, and you're probably wondering well, why is the EDA involved? Because as we do this platting work, this is now making these lots and blocks developable into the future, so this is really an EDA action to use the funds from the EDA Trust Fund to pay for the platting. The good news is the City has agreed to do the platting for the County project, and then 3M, at this point, has essentially agreed to dedicate the Right-of-Way to us in lieu of an assessment for the 100th Street improvement, so, this has a significant value to us. But then this platting work will set the stage for future development in the area. So, that is the reason we are asking to use the EDA Trust Fund to cover the $75,000 for the platting activity. Bolton & Menk has been the engineer that has been working on the project thus far, for a number of years, working on our utilities that would connect the area, and we have a Master Service Agreement with them. So, at this time, we are just asking for the EDA to authorize $75,000 from the EDA Trust Fund to prepare that platting work for the project.

EDA President Bailey said all right, thank you, Jennifer. Are there any questions from the EDA on this particular one? None were asked.

Motion by EDA Member Tschida to authorize the use of EDA Trust funds for the preparation of a plat for the County Road 19A/100th Street project corridor and surrounding 3M-owned parcels; second by EDA Member Jean-Baptiste.
Motion carried: 4-0.

6. PUBLIC HEARINGS - None.

7. OTHER BUSINESS

EDA President Bailey said EDA Members, we will be moving to the Training Room for two workshop that we actually had postponed, I think, from our last meeting: Innovation Village and 100th Street Extension Update, and then the Business Retention and Expansion Program Workshop. So, we won't be adjourning from in here, we'll be adjourning in the Training Room. So, thank you all for watching this morning, and we'll head to the Training Room.

8. WORKSHOP - TRAINING ROOM

A. Innovation Village and 100th Street Extension Update
Staff Recommendation: Receive the Workshop presentation.

Administrator Levitt said well, Mayor and Members of the EDA, we kind of ended the last workshop really quickly on Langdon, and so we just wanted to circle back if you had any further questions on Langdon and what was being developed. Our big action that we're working on right now is with the Majestic; we've given the property owner an option to partner with us, that we would pay for the demo cost, and it would be on his pending assessment against his property until time of sale. He hasn't necessarily agreed to that yet, so we're giving him until approximately the 1st of June. If he disagrees, then we'll have to go through a formal condemnation process, which would maybe take us anywhere from 90-to-120 days to be able to demo the building. So, that's the status of the Majestic.

We talked about 100th Street, but we thought, well, it kind of ended so abruptly, we just wanted to see if there were any other questions or direction or things that you wanted to discuss about 100th Street and Langdon. If not, we would just kind of chat about the area.

EDA President Bailey said so, the only other thing, just for you guys here on the Majestic, if anybody ever asks you, the building is not salvageable. I just wanted to make sure everybody knows that because he thinks that there's some value in the building, or did, I don't know if he still does.
EDA Member Scott and if it's condemned, I mean, it's not. Administrator Levitt said it's posted.

EDA President Bailey said and one of the things we do is its an eyesore now, and people keep asking, so that's the purpose behind putting a little more pressure on at least getting it out of there, and then letting everything else kind of begin that development.
EDA Member Scott asked how long has it been empty, like 20? Administrator Levitt said 20 some years.
EDA Member Jean-Baptiste asked and did you conduct a blight analysis to set the stage for future development, was that done recently?
Nate replied we have not proceeded with that; there's an EDA action that would need to occur to accept those findings, but we have not done so until we have further clarity on the demolition timeline.
EDA Member Jean-Baptiste said and from my understanding, once the building is condemned, assuming that he takes no action, doesn't agree to, you know, our demolition proposition, but it gets condemned, it gets demolished, legally and technically, he's still the landowner. And how does that process work?
Emily Schmitz, Economic Development Director, said yep, so, he'll still own it. However, the cost is for the City to demo and obviously, leave it in a state where it's ready to redevelop, that cost will then be assessed on the tax roll, and he will be required, as the property owner.
EDA Member Jean-Baptiste said it can't even be developed until he decides to sell, no matter how much assessments are. Emily replied exactly.

EDA President Bailey said and I can, again, I know we're talking a little longer on this, but we, the EDA, actually tried to talk to him about the EDA buying it, because the EDA does own other land down there, and it would just kind of fit in the parcels. Right, is that what we all?
Nate replied yep, that's the yellow highlighted.
EDA President Bailey said so, we thought, well, since the EDA owns this other land, as it becomes available, if you have willing sellers, that's the purpose behind that, we thought well, we'll just buy the Majestic, because it makes total sense. But the price that he was asking for it was a little outrageous from what we, as an EDA, thought would be a reasonable offer. The rest of them, though, like the house on the end that we ended up doing a Fire Department burn on, when it came up, we had gotten a good agreement with them, and sure, we'll buy it. And then knowing that, as I know other cities, to your point, if you put more parcels together, it makes it a little easier, you control the development a little bit, but it makes it easier for somebody to come in and say, hey, I want to do this if you have the whole thing kind of put together. So, just FYI, it isn't that we haven't tried, we thought that we would buy it at one point.
Nate said I figured there'd probably be some sort of discrepancy between the buyer and seller on pricing.

B. Business Retention and Expansion (BR&E) Program Workshop
Staff Recommendation: Receive the Workshop presentation.

Administrator Levitt said so, now we'll move on to the BR&E discussion and get some feedback.

Nate said so this, President Bailey and Members of the Board, I've kind of kick started our BR&E, recently reignited it. So, Business Retention and Expansion is a cornerstone for all my activities at a local level. I've created kind of this template of what our goals and objectives should be for this year and going forward. So, I'll go through those briefly:

<u>Goals</u>: What I believe to be the goals of the Cottage Grove Business Retention and Expansion Program:

1. To make lasting relationships with business leaders and among elected, appointed officials.
2. Leading with a valued-added mentality, not necessarily going to the business for the City to achieve anything, but we want to support business activities.
3. Maintain regular contact with business leaders, so there's this theory in Economic Development and Business Retention and Expansion where the more touch you have with a business, the more likely they're to interact with you. So, having more frequent contact, as opposed to like set figures of connecting with businesses, more regular conversation.
4. Being prepared to act when a business needs something.

So, those are the four main goals that I see in Cottage Grove's Business Retention and Expansion Program.

Objectives:

1. Business Visits: When I started in December, my objective was to do 24 business visits throughout the year of 2026, and 12 of those being at least in-person conversations. I consider a business visit to be at least, you know, a half hour to an hour of conversation, whether we can do Zoom now or phone calls, but there's nothing that takes away from the in-person conversation, putting a name to a face, and having that conversation.
2. Who would be involved? Myself being the lead person on the BR&E, and then coordinating with the Chamber President, Laurie Levine. She's been very eager to be involved in these conversations with me. I'm more than happy to bring her along.
3. Maintain Regular Updates to the EDA: I'm hoping to at least present in the fall kind of a snapshot, in addition to what we're doing today, on how we're making progress for our Business Retention program.
4. Tracking those as well, all those conversations, and the data that was provided.

As far as kind of a template of what I would be bringing to the business, so kind of an inquiry, not necessarily like a survey, I think that could be a later step; we have done that in 2024 and 2023, prior years, kind of a master survey where we talked with business owners and try to get as much data as we can. I am leaning with a let's do more of an introduction conversation, and follow up with maybe some hard data in the future.

But in the meantime, as I do these introduction conversations, I do want to gain some data that I can present to the EDA and kind of give a snapshot of how things are going. So, with that said, as I build rapport, I'll look into who is on staff to be the contact person, I think that's a #1 step is to make sure I'm talking to the right person about who's managing the operation. Have a good understanding of their growth, decline, and employment needs, and also bringing ideas to the meeting. So, when I've set meetings thus far with business owners, I've had something to bring to them; for example, with the Country Inn & Suites conversation, it was a Façade grant that they had reached out on, and I said, well, let's talk about this and let's understand your business needs a little bit more, and today we did the action on their Façade Grant.

Then, lastly, for me, it's following through on my commitments and expectations and communications with those business owners, to maintain that level of trust and keeping the conversation moving.

And then, as of today, I've conducted 11 visits, these are the ones so far: Van Meter, The Madison, Dance By Kris, Voltas, 3M, Tradehome Shoes, LSP, Panamint Capital, Salon Fusion, Kwik Trip, Basic Needs, and Country Inn & Suites. And then I've kind of selected a few different businesses for the remainder of the year, to try to identify to have those visits with; this list is not like set in stone, these are just if I can get to these businesses, great, if another business kind of slides into that, wonderful, but trying to maintain a balance of like large industry, smaller business, not necessarily just focusing on one entity.

As far as the data that I have collected thus far, like I said, I've done 11 visits: 9 of those have been in person, 5 were kind of just initial breaking-the-ice visits, 3 of them were issue focused, and 3 of them were expansion related. Of the 11 businesses, 9 are experiencing growth, 2 are currently in a stable position.

Some of the key opportunities that I've identified for businesses in my visits: We have a significant amount of expansion opportunity for businesses, and we're trying to maintain the level of communication so that I can present opportunities for resources for our expanding businesses. Client lists are growing, businesses are being very intentional about diversifying revenue streams, so seeing a creative entrepreneurial mindset come forward in businesses is pretty inspiring. Businesses are seeing sales increase, and there is a desire to engage more with City officials and all that, and in events as well.

Some of the key challenges that businesses are facing: Rising costs of goods, number one, every time in my conversation, whatever the business is dealing with as far as the product they're creating or the service they're providing, it's all about the influx and the cost of those goods. Additionally, I would say most of these conversations did have a bit of building infrastructure-related issues, aging building, having to do some kind of upkeep, something's failing in the building. Not necessarily anything that the City has purview over, but it is a good data point to see where our commercial building stack is going, as far as aging, and kind of the needs of business owners. I'll say a few are having difficulty identifying sites for potential new construction, I think that lends to the idea that we may not have a significant amount of parcels, per se, that are ready for new business. A significant amount have asked for identifying grant opportunities and different State, so I've been in conversation with DEED on different programming and opportunities and trying to go forward with maybe some applications for resources. And I will say with the conversation directly with Country Inn & Suites, to have a good understanding that the hospitality industry is significantly unstable at this time. Starting in January, even until the end of 2025 and going forward, it's quite unstable to see that travel is down, gas prices up, and it's just a good data point for us to have as we have conversations with hospitality needs in our CVB.

As for some other kind of data points, 7 of the 11 businesses do need additional space; 3 of them are renovating existing space, and 1 of them had adequate facility needs. All of the businesses that I met with said public infrastructure was adequate, and when I asked that question around public infrastructure, it goes into even like policing and fire and across the board, all positive on City services overall. Workforce is adequate, and there were only 2 businesses that were introduced in workforce programs, and so I have connected them with some State agency programs.

As far as some follow-up items that I have been working on, as I mentioned previously, I'm working on some DEED incentives. I talked about local incentives around the Façade Improvement Program that we've just completed 3 in the last year, thus far. Different tax incentives, whether that's Tax Abatement or TIF. There have been significant need with the Business Development Services with our partners from MCCD, so that's the "Open to Business" program. Every month we have a business representative that meets here at City Hall with aspiring entrepreneurs to provide free business consulting services. They also have capital available for loans, and so trying to connect businesses with those resources is something that I'm working toward. Putting businesses in contact with Community Development staff, as far as Site Plan Review. We talked about ribbon-cutting information with a few different businesses, and continuing to introduce myself and other City staff when applicable.

Nate said so, some of the questions that I have for Board Members today are:

- What's the EDA's desire and goal for conducting business visits?
- Are there other intended outcomes that I may have missed in my goals and strategies?
- How engaged do Board Members want to be? Do you want to join in visits, do you want to offer additional contexts for me to meet with those business owners?
- Expectations of the Board around reporting by myself.
- Any additional goals for 2027 and 2028.

And I will leave us with that, as far as conversation is concerned.

EDA President Bailey said okay, thank you, Nate, but we only have a couple of us here, but is there any particular process or thoughts from either of you as it relates to what you want to get out of these visits, processes, or anything like that? Or if you want to be involved, too, I guess, is the other one. I think I'll just share real quick before them. In the past, EDA Members had gone on some of those business visits where they could, you know, to hear directly and I think it kind of shows the businesses that even though the EDA is a volunteer organization, that we care about the businesses. So, sometimes that's kind of nice, a show me, if you will. It's not required, but that's definitely an option, we've done that in the past. We have done a more formal survey in the past, so that's something, and if I recall, and I'm looking at Jennifer a bit on this; I believe when we did the formal survey, if there were certain questions that were asked, we did a follow up in person, is that correct?

Administrator Levitt replied yes, and some of them, yeah, we would do, I think we had like 42 from the Grove Minnesota Chamber that did the formal survey last time, and then we tried to meet with them in person.

EDA President Bailey said yep, so, I mean, personally speaking, other than the engagement piece, which I like, you know, from our staff standpoint, I actually do like kind of the formal process, too. Because then we have kind of the similar questions for each of them, and then taking those questions and maybe doing some follow up, depending on, I mean if somebody is saying everything's great, I'm good, don't need any visits or anything like that; but if somebody else says, you know, we're thinking about growing, or we're thinking about leaving the City, that to me would be a message where, okay, I need to go and engage this person or this business to see is it land, is it I can't expand, is it something wrong that, you know, we can help with? And that's kind of why I like that formal survey piece because you can pick things out of the survey that would be beneficial to us.

The only other thing I'll say that I thought was interesting, I believe in the formal survey, the one topic that came up, and I know it was a lot more businesses versus who you've met so far, was daycare. And that didn't come up so far that I saw, at least in what you were sharing. There was a need for childcare services or more childcare options or opportunities within the businesses in the Business Park. And then there was a little bit more on transportation, I believe, on that survey, too, and we're talking about more mass transit, like busing, and being able to get the workforce, which was typically from the East side of St. Paul, to Cottage Grove, and from Cottage Grove's Park and Ride to the businesses in the Business Park. So, those were just some of the things that came out of the formal survey that didn't necessarily come out of the individual survey, not to say it's not important to them, but it is kind of interesting to me.

EDA Member Scott asked and were those questions asked when you met with them, or is there like a standard set of questions that you were asking all of the businesses?

Nate replied I didn't go into as much detail as the Mayor is saying, it was kind of an introductory conversation; it's more or less getting a sense of where the business is headed and kind of getting more familiar with who I am and what I do. So, overall, kind of a strategy that I'm deploying is this year of familiarity that I'm gaining with businesses, and then following up with more of a formal survey in the next year or so. So that when a survey is deployed, I will have somebody that I know will be willing to complete that survey, so that we can gain some significant information. That's more in depth, as to what the Mayor's getting get.

EDA Member Scott said I didn't think that those surveys are going to do all that, get that information. And how many were, I know that I've seen those formal surveys in the past, when they do it, what is the answer rate on those surveys? Jennifer, do you know? I don't know.

Administrator Levitt replied I think last time we had 42 businesses respond, and that's usually; I mean, the last two times we've done it, I think 50 was our target goal, and I think as Nate had mentioned, he's really trying to get businesses of small, medium, and large scale size. And, so, sometimes we have difficulty kind of with that demographic scale to get equal measurements, but 50 is usually our target, and we haven't always hit 50.

Nate said I will say from my experience in working in Business Retention and Expansion, as it pertains to formal surveys, in particular, I had a mixed bag result working in Northfield with formal surveys. So, I have a bit of hesitancy around deploying them and making sure, because ultimately, I want a successful outcome with a formal survey. And, so, my tactic here is to gain trust and trying to build a cohort of members that I feel confident would at least be the core of our base for the formal survey, and then building out beyond that.

EDA President Bailey asked do you remember how, I know we said we wanted 50, do you remember how many they actually went out and did? I know we're asking questions that are old, but.

Administrator Levitt replied I think when Matt did it, I think we had 38 when we went out and met in person.

EDA President Bailey said and the only reason I bring it up, to your point, is what I recall somewhat is we did get a decent amount of Business Park responses, but when it came to small business, like Salon Fusion, or I'm just making that up because they're new, but you know, Mi Pueblo, or those kind of places, we didn't get anything. And I'm looking, I'm almost thinking maybe it's kind of a two-pronged approach, maybe it's okay, we've got these targets where we want to get info. We try the formal, and then if we don't get a response from formal, then we as staff and/or EDA Members or whatever, would then do an in-person stop in, like hey, we want to see if you got the survey, and we'd really like, and maybe they don't want to write it on paper, maybe they just want to talk, and I'm okay with that, too. So, I'm almost thinking there might be a hybrid in all of this because I do like what you're doing. I really like what you're doing when you're going out and getting feedback, but I also know there might be some value in having the questions be similar, so you can see true trends, other than what you're hearing from trends from individual conversations, so.

EDA Member Scott said it could be a phone call, too, to say if you don't want to fill out the paperwork, we're happy to have a conversation, either in person or via Zoom or whatever. I know when we do exercises and we're calling businesses, to me that's a lot of, you know, it's a hybrid approach that some people just don't like.

EDA Member Jean-Baptiste said yeah, I definitely appreciate where you're coming from, in terms of like more in person, because I felt like a lot of times these businesses get a lot of surveys, not just from us, but any type of organization you can imagine, and a lot of times those surveys end up in either your junk mail or at the bottom of your to-do list. So, maybe sometimes we don't get answers back because we don't ask what we want to, or some may not have the capacity; whereas if you have something on the schedule, I tend to let it drop on my calendar, so whatever's on that calendar is what's going to happen for that day. So, if it's on the calendar, it's more likely to happen, so I do think that you do need more of the structured data, that would help, and you look at it any way that you can, like this is in-person visits or even for follow-up visits, those would help as well. In terms of reporting, I think if you could just put something on, whether it's a quarterly piece or on a monthly piece basis, like your most recent visit, that way it's top of mind. Just a high-level overview of like, hey, here's two businesses that I went to, everything's great, or you know, here's something that was maybe somewhat of a common theme, whether it was daycare or expansion. Because, you know, a lot of these bullet points it kind of seems like in one way, shape, or form, expansion was kind of like a big thing, you know, real estate, expanding real estate, their footprint, things of that nature, seemed to be a common theme. So, just getting more of like a State of the State on that at our monthly meeting, or if you just want to do it once a quarter, that's fine, too, but I think that would be more top of mind for us, and maybe we can try to have more conversations and other action items that we prioritize.

EDA President Bailey said that sounds good. He asked if there were any more comments. I like your idea of quarterly, in essence?

EDA Member Scott replied yes. EDA President Bailey said and if there isn't anybody that quarter, you just say, you know what I mean?

EDA President Bailey said, so, but I do agree with you, I think just like you're learning, doing the in-persons, and it is very, very important. I guess that's what I'm saying a hybrid approach because we're also having an issue, and it's like instead of getting some of these smaller businesses, the mom and pops, to actually respond; maybe, to your point, maybe it is going to have to be, you're going to have to go into those smaller businesses just to see what it is, but on the other hand, just for this group, what was kind of cool is when you talked, you just mentioned it about expansion. Your having the conversation with two of those businesses in the Business Park, specifically, Van Meter and Tradehome, really helped pave the trail, if you will, because we were able to help both of them basically try to get additional funding dollars from the State, you know, to even them up, and getting to have that better relationship with us. And both of them are going to be expanding in Cottage Grove, as we all know from the last meeting, Tradehome Shoes, is a good example. And then Van Meter, basically is almost doubling in size, so.

EDA Member Jean-Baptiste said so, I really see ourselves to kind of be a good facilitator between the businesses and outside agencies. As a quasi-government entity, we may have certain contacts that they may not have, or know the processes a little bit better, or can direct them a little bit more efficiently. So, I would say, I think for a lot of businesses, that kind of effort goes a long way. So, I think it'll definitely get us some good things, if you will.

EDA President Bailey said that's actually a really good comment because one of the things that we found out is there are some I'll call it pots of money, or options out there for funding sources through the State that we knew about. But when a business is too far along on their development piece, or redevelopment, or whatever, some of those tools are no longer available because you're not there yet. So, maybe as part of the conversation that you're having, and maybe you're already doing this with these questions, but is do you have any thoughts going forward about expansion or whatever? Because we have some tools in our toolbox that we can help you with, making sure that you might qualify for certain funding pots of money or funding dollars. At this point, that one case, they were too far along, and there's no way that the agencies at the State are going to give grant money on a project that's already been approved, so, or it was moving forward, I guess. So, just, yeah, good call.

EDA President Bailey said okay, are we good, you got what you need, Nate? Nate replied yes, sir.

9. PRESENTATIONS - None.

10. ADJOURNMENT

EDA Member Scott made a motion to adjourn; second by EDA Member Jean-Baptiste. Motion carried: 3-to-0.
The meeting was adjourned at 8:25 a.m.

Respectfully submitted,

Nate Carlson, EDFP
Economic Development Manager

NC/jag

Economic Development Authority Action Request

5.A.

Meeting Date 7/14/2026

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 MPLS_6-2026
2.	Development Update 2026-07-14

Federal Reserve Bank of Minneapolis

Summary of Economic Activity

Ninth District economic activity increased modestly since the previous report. Employment grew slightly, and wage growth was modest to moderate. Prices increased sharply, particularly for inputs. Growth was noted in financial and nonfinancial services, construction, and manufacturing. Consumer spending, tourism, and energy were flat. Agricultural conditions remained weak. Activity among minority- and women-owned business enterprises was mixed.

Labor Markets

Employment rose slightly since the last report. Construction firms reported healthy hiring demand, and a majority were looking for year-round, full-time workers. A large staffing firm with multiple offices reported strong job orders and improved ability to fill positions. Hospitality firms were also hiring, but mainly for turnover and seasonal needs; few were hiring new full-time positions. Human resource contacts noted less availability of foreign-born workers, and some employers were having difficulty using work visa programs to meet labor needs. A contact with a southwest Minnesota manufacturer noted that they have seen fewer immigrants in the local labor force. As a result, they have hired more nonimmigrant workers; since doing so "our turnover has gone up over 10 percent," and total job applicants have fallen significantly.

Wage growth was modest to moderate, with some signs of softening. Two-thirds of hospitality and professional services firms reported annual wage increases of 3 percent or more. Half of construction firms said wages were increasing by 3 percent or more over the last year, and smaller wage increases were expected over the coming year; both results were softer than previous levels. A District staffing firm reported flat wage pressure for industrial workers despite strong demand.

Prices

Prices increased sharply since the previous report, especially for inputs. In a monthly survey, more than a third of firms increased prices to customers in April from the month earlier. A majority of firms reported that their average nonlabor input prices had increased by more than 2 percent in the previous two months, with a quarter reporting increases of more than 5 percent. Expectations for May were higher for pricing to customers but somewhat more moderate for input prices.

Contacts continued to report substantial fuel surcharges for freight. Health care contacts noted that higher plastic prices were feeding into medical equipment costs. Manufacturing contacts reported sharply increased primary metals prices. The wholesale prices component of a regional manufacturing index increased sharply in April to its highest level in two years. Retail fuel prices in District states increased robustly since the last report.

Worker Experience

Overall, workers across the District faced a shrinking number of job postings. Individuals with skills in construction, manufacturing, or health care were more likely to be hired. A community college contact noted that older adults were “coming back to get a second credential to better compete for jobs.” A contact in Minnesota said that workers faced limited ability to negotiate for higher pay and were mostly absorbing higher commuting costs. Several contacts noted that workers had an increasing fear of spending. Younger workers with families were reportedly swapping planned vacations for “staycations” in the face of higher fuel prices.

Consumer Spending

Consumer spending was flat since the last report. Retail contacts were evenly mixed, with similar shares reporting increased versus decreased sales compared with the previous month. Some firms seeing sales growth attributed it to normal seasonality. Hospitality and tourism firms have seen fairly slow activity of late and had modest expectations for the coming summer season. In Montana, a clothing manufacturer and retailer reported that the size of orders had fallen, and a convenience and service business said higher fuel prices were likely to cut into store sales and vehicle repair work. An accommodations business in northeast Minnesota said bookings had been slow, and given fuel prices “and the cold shoulder Canadians are giving us, I’m not very optimistic.” A vehicle dealership with multiple District locations saw April sales decline for both new and used models. Hotel occupancy and room rates were mixed, with some District states improving in April, while others declined.

Services

Activity among services firms grew modestly, with financial firms reporting growth and nonfinancial firms seeing somewhat softer activity. A Minneapolis–St. Paul financial firm said loan demand was increasing and delinquency was low. “Business is exceeding our expectations through the first 4 months of the year.” Professional services firms reported growth in a recent survey, but softer activity in a secondary survey. Respondents to both noted some concern over future consumer spending given rising cost-of-living pressures.

Construction

Construction activity in the District grew moderately since the last report, but contacts revealed some fragility beneath the surface. Cash flows were hurting due to many projects "stopping and starting" as clients became hesitant to proceed. A contact shared that "everything is high, and customers are taking care of today, but unsure about tomorrow." Firms and workers were shelling out more income to pay for rising fuel costs. Higher oil prices were also affecting the price of PVC and other materials. Data centers, energy projects, and infrastructure work remained relatively solid. Construction permits filed in April increased year over year across major markets in the District, notably in Minneapolis, Minnesota, and Rapid City, South Dakota.

Manufacturing

Manufacturing activity increased moderately since the last report. More than half of manufacturing survey respondents reported an increase in orders in April compared with a month earlier, while less than a quarter reported a decrease. An index of regional manufacturing conditions indicated that activity increased in Minnesota and North Dakota in April from the previous month, while activity was flat in South Dakota. A contact in the electronics sector reported a strong backlog of orders due to high demand from data center construction and the defense industry. In contrast, an equipment producer said there was "still far too much uncertainty to make major decisions right now."

Agriculture Energy and Natural Resources

District agricultural conditions remained weak overall, but planting was going well. According to the most recent Ag Credit Survey, 76 percent of respondents reported that farm incomes decreased in the first quarter from a year earlier, and respondents were concerned about the impact of surges in diesel and other input prices on margins. However, corn, soybean, and spring wheat planting progress in District states as of mid-May was well ahead of average, and high cattle prices remained a source of strength. Oil and gas activity in the District has been little affected by oil price shocks so far. Industry contacts noted firms were reluctant to change plans based on short-term price volatility. An iron mining contact said activity was stable.

Minority- and Women-Owned Business Enterprises

Activity among minority- and women-owned business enterprises (MWBE) was mixed over the most recent period. In certain instances, upward shifts in activity were attributed to seasonality. A mechanic shared that customers were using their tax refunds for car repairs they had postponed. A large share of contacts reported higher nonlabor costs. Price increases were particularly notable in fuel and petroleum-based products.

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

TO: Economic Development Authority

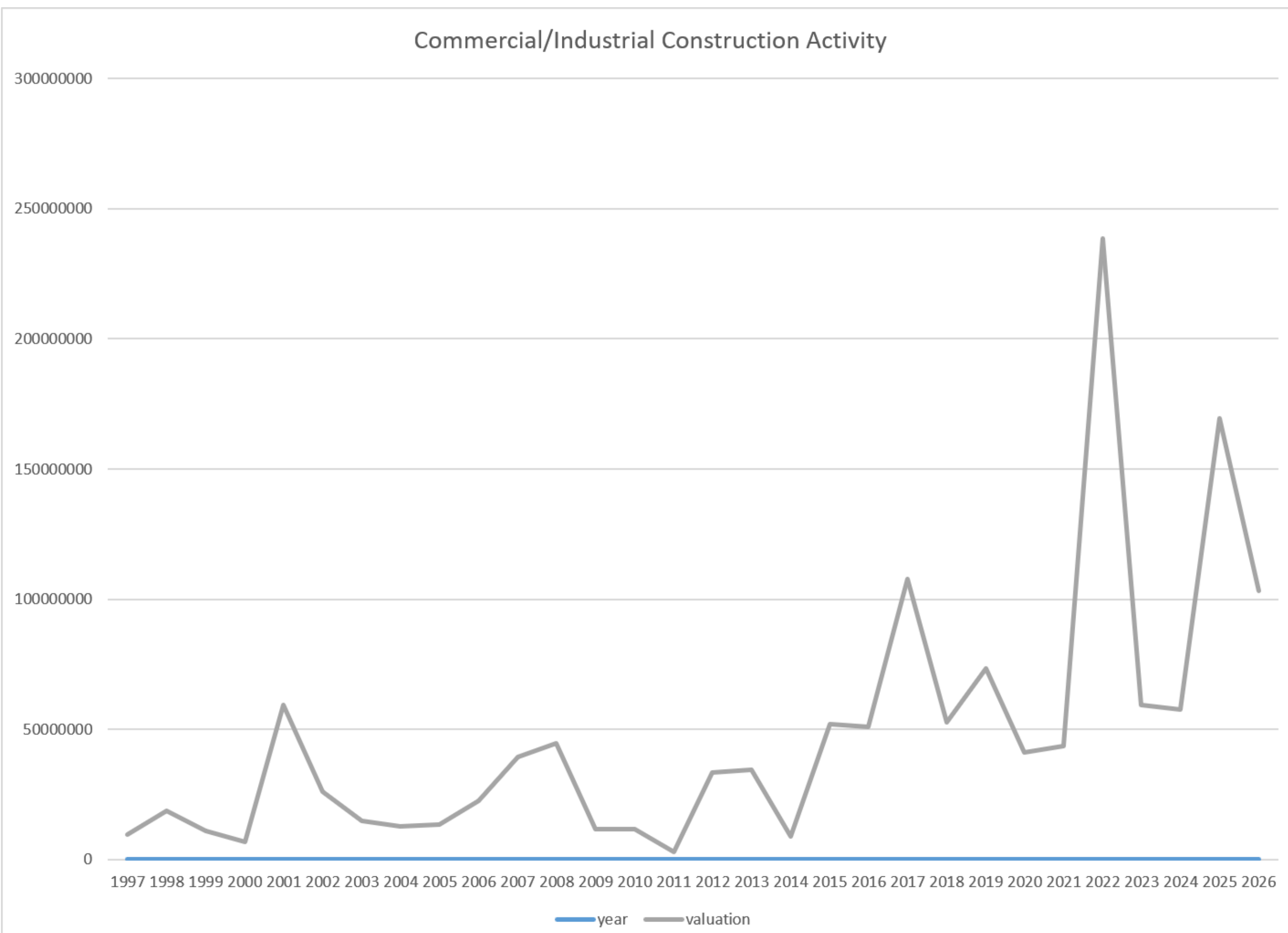
FROM: Emily Schmitz, Community Development Director

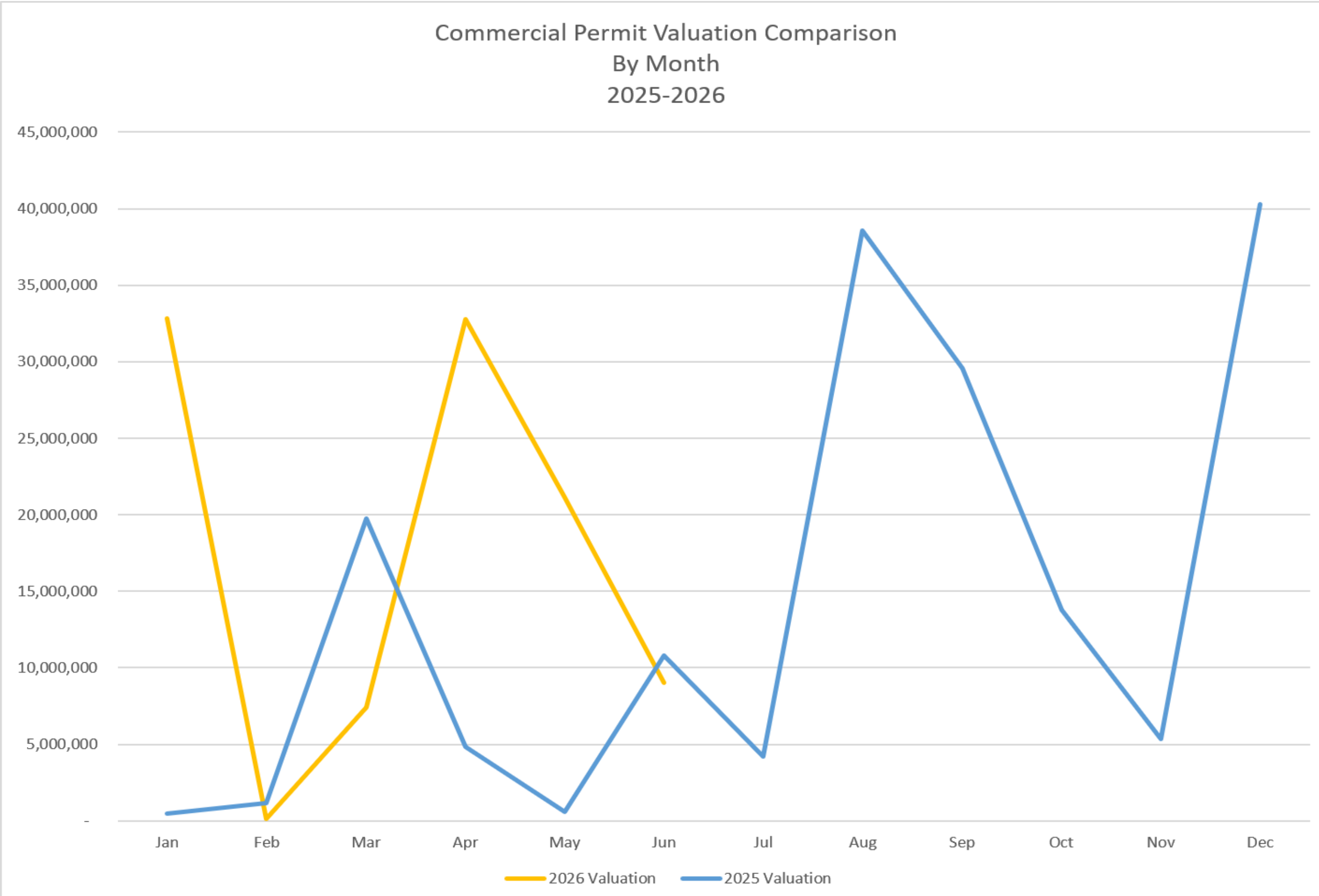
DATE: July 6, 2026

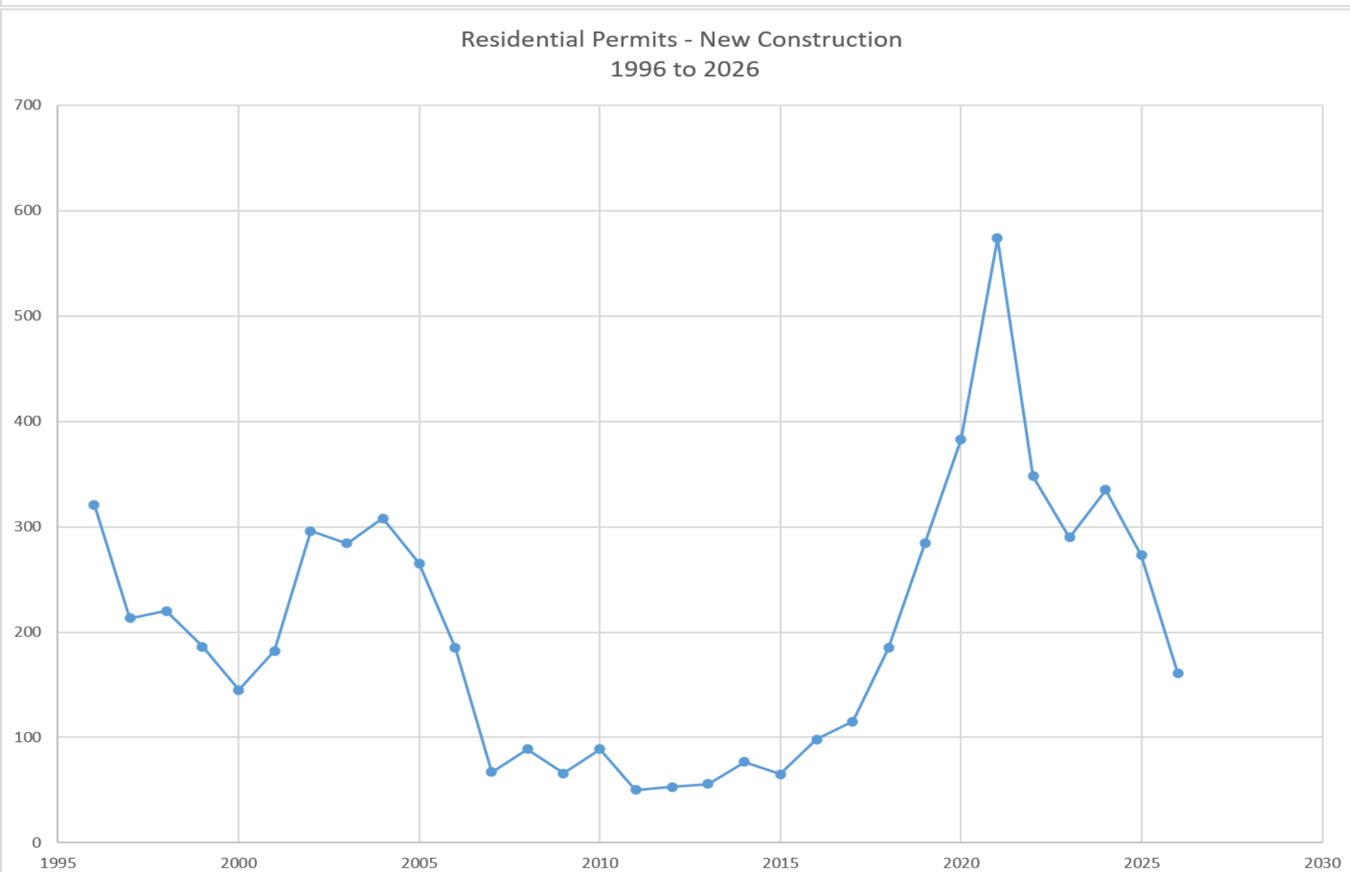
RE: Development Update

Building Permits

Building Permit Statistics:
Between June 1 and June 30, 2026, there were 513 building permits issued with a total valuation of $28,388,752, including 31 single-family homes valued at $13,240,664; 10 townhomes valued at $3,259,585, and 60 commercial permits with a valuation of $9,044,902.



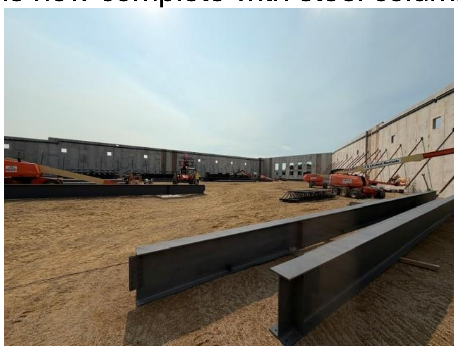

Commercial Permit Valuation Comparison
By Month
2025-2026
45,000,000
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
-
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2026 Valuation
2025 Valuation


Residential Permits - New Construction
1996 to 2026
700
600
500
400
300
200
100
0
1995
2000
2005
2010
2015
2020
2025
2030

Current Project Updates

<u>Building Construction Projects</u>

<u>Van Meter (7450 95th Street):</u> The installation of the footings for the building addition and storm pipes has started. The site excavation continues. The erection of the exterior pre-cast concrete wall panels is now complete with steel columns, beams, and roof bar joist to start in July.



<u>Kwik Trip (8510 95th Street):</u> The building permit was issued, and work is planned to start in July.

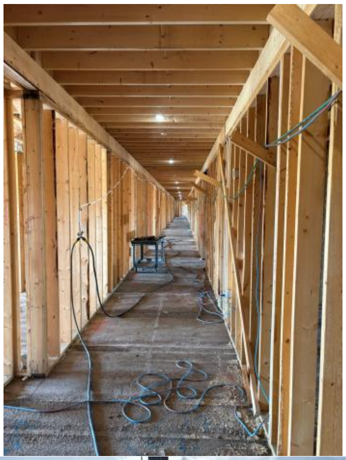
<u>Green Thumb Industries (8235 97th Street):</u> The installation of the odor mitigation filter system in the interior corridors is complete; the equipment startup will happen soon.

<u>Roers Cottage Grove Apartments (6850 East Point Dougla Road):</u> The installation of the foundation footings and exterior block walls is complete. Installation of the foundation drain tile, foundation waterproofing, precast columns, beams, and floor slabs is underway.





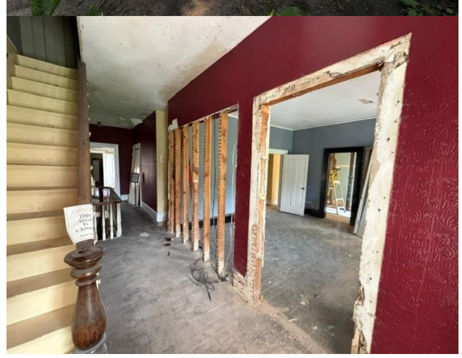

<u>Hadley Ridge Apartments (10015 Hamlet Avenue):</u> Installation of the plumbing underground and parking garage concrete is complete. Installation of the civil storm pipes has started. The installation of the 1st, 2nd, and 3rd floor exterior and interior walls has been completed, and the installation of the 4th floor walls continues. The electrical rough in and the core drilling through the precast slabs for the installation of plumbing pipes on the 1st floor has started.






Cedarhurst (6940 Keats Avenue): Framing continues for the new addition. Demolition of a small section of the second floor has started to comply with ADA requirements for accessibility while framing for the porch decking is underway. The crew has been challenged in the connection of the new building with modern day construction practices to the existing building and the methods used in the 1800's.



New Life Church (11245 Point Douglas Road): The building permit has been issued, and excavation has started for the installation of the building footings.

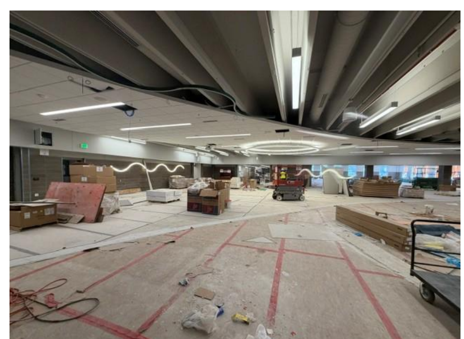
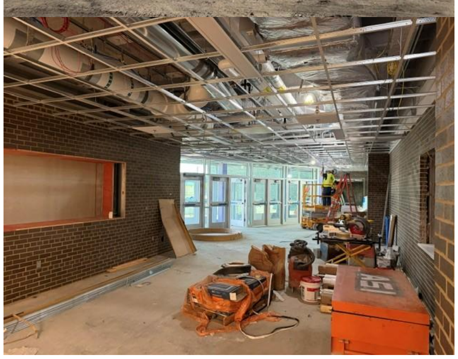
<u>Park Grove Library (7900 Hemingway Avenue):</u> The demolition of the existing building is still on going. Installation of the footings, foundation waterproofing, and foundation insulation for the building addition is complete. The plumbing underground work has started.






<u>Park High School (8040 80th Street):</u> The new kitchen is close to completion with the flooring, tilework, and ceiling done and the installation of kitchen equipment beginning. Ceiling grid, lighting, and interior finishes are being installed. Demolition is nearing completion for the existing shop/trades classrooms, cafeteria, and kitchen in preparation for new classrooms, while the addition for the new kitchen and cafeteria/storm shelter are in the final stages for completion. New upgraded mechanical ducting and boiler piping continue throughout the building.



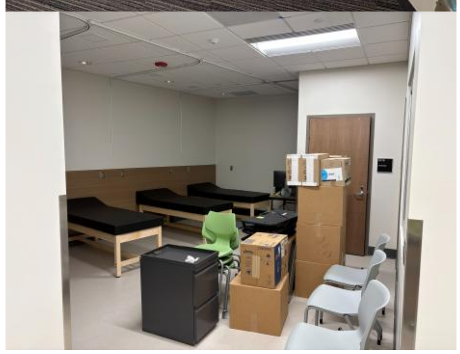



<u>Grey Cloud Elementary School (9525 Indian Boulevard):</u> Foundation work for the two new additions has begun. Demolition of the wall panels in the existing classroom area is complete and have been replaced with permanent steel stud framing.

<u>Cottage Grove Middle School (9775 Indian Boulevard):</u> The interior demolition is complete for the interior remodel. The new interior walls have been completed for the interior remodel. The installation of the HVAC ductwork for the interior remodel is complete. A Temporary Certificate of Occupancy was approved for the school building addition only.



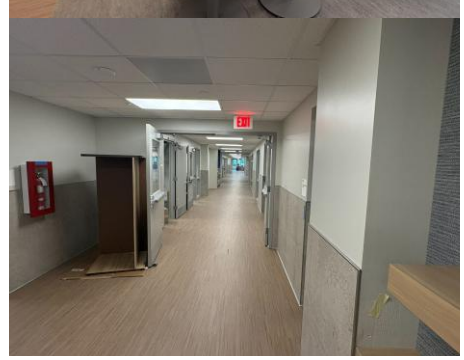





<u>SoWashCo Schools Transition Program Building (7000 Jamaica Avenue):</u> The installation of the parking lot curbs, and painting of the exterior is complete. The interior of the project is finished, with the punch list items left to complete. A Temporary Certificate of Occupancy was approved.

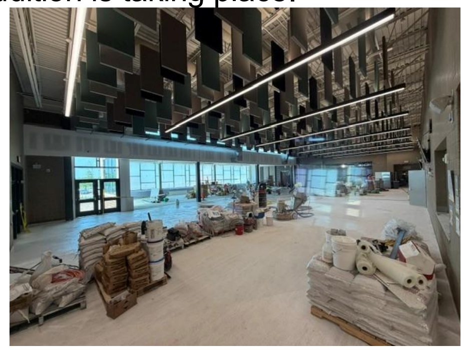




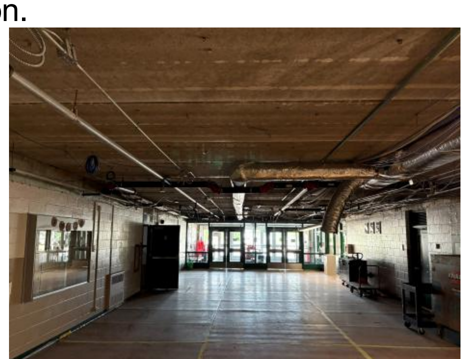
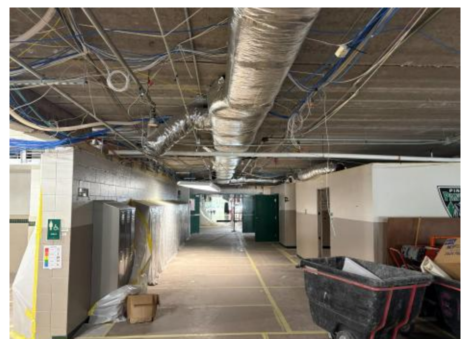



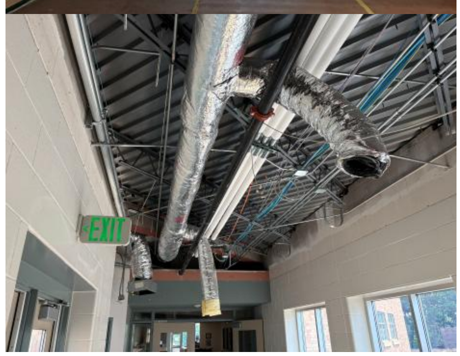
Oltman Middle School (6625 Goodview Avenue): Ceiling tiles, flooring, and cabinetry are being installed in the classroom addition. Framing, drywall, tile work, plumbing, and mechanical work are underway in the kitchen and cafeteria addition as well as the terrazzo flooring in the cafeteria. Preparation of the floor for carpet and finishing work continues in the classroom addition, while work to join the interior finishes between the existing building and new addition is taking place.





Pine Hill Elementary School (9015 Hadley Avenue): Excavation has started for the installation of utilities and the building foundation.

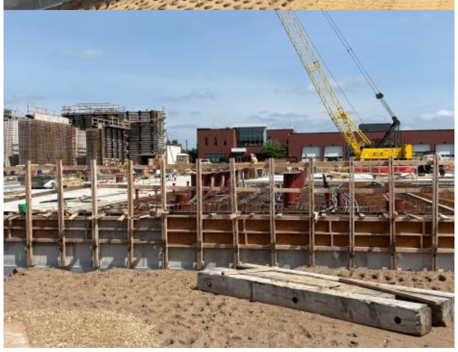
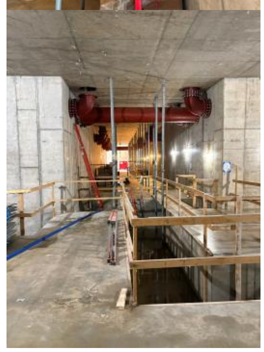






Cottage Grove Water Tower (7550 95th Street): The steel tank has been raised up from the ground and installed at the final location. The interior installation of the processes piping continues. The painting of the exterior steel tank and installation of the Cottage Groce logo are complete.

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



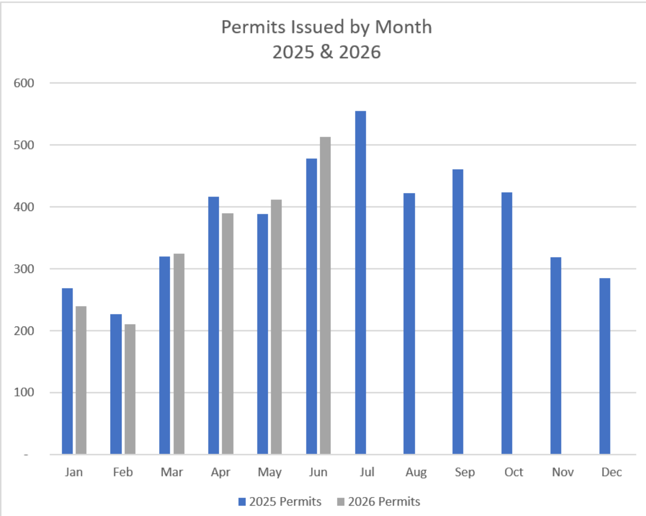




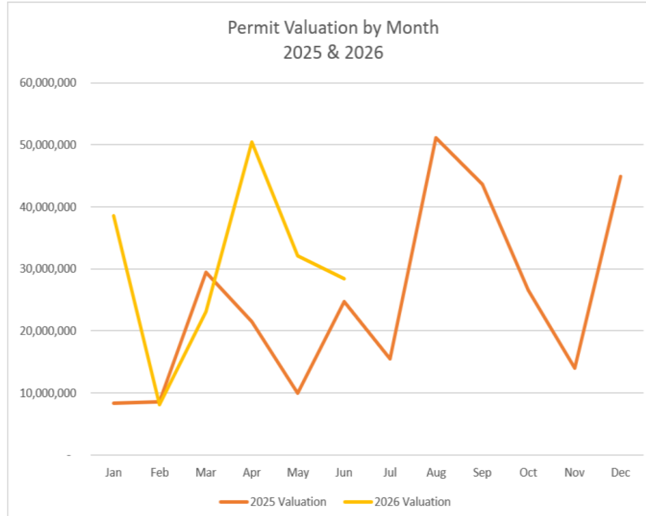

Planning Division

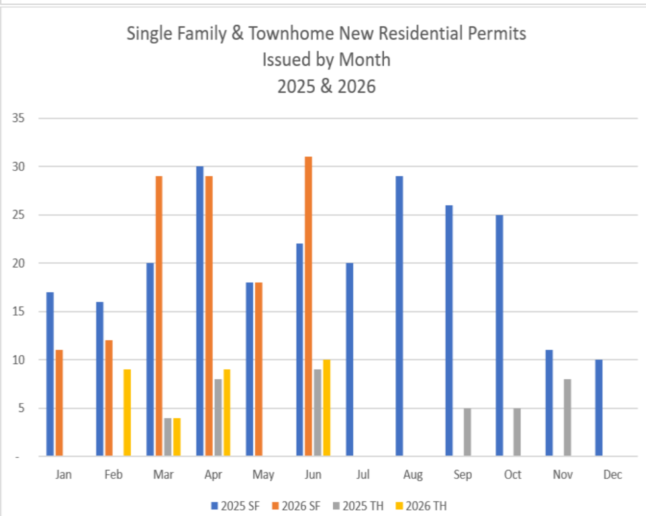
July 27, 2026, Planning Commission Meeting

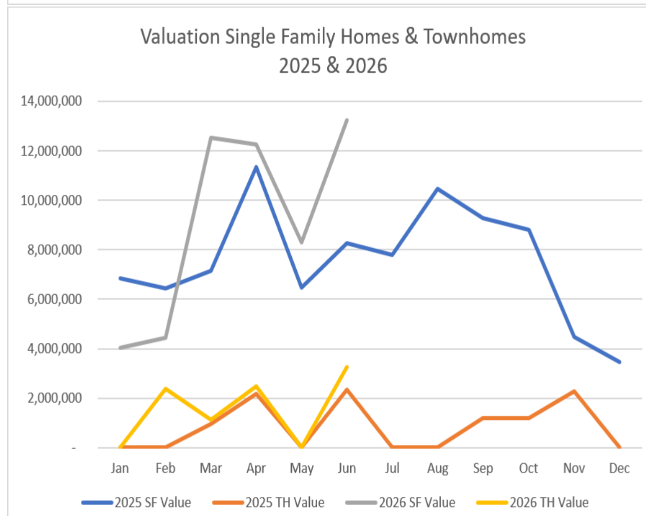
The July 27, 2026, Planning Commission Meeting was cancelled due to lack of business.

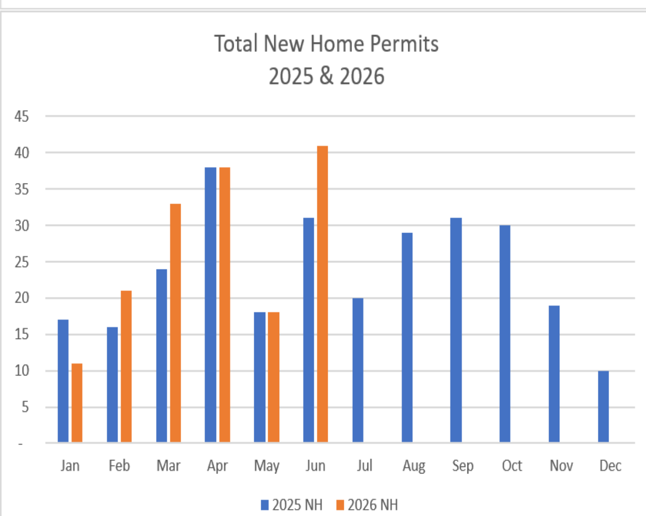
Building Permit Graphs

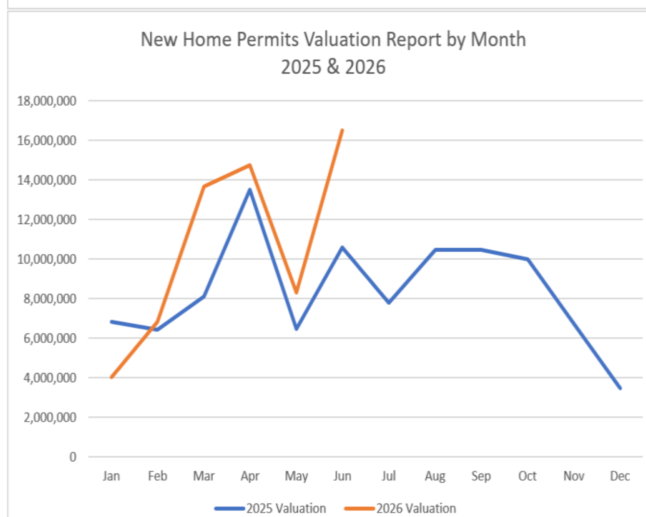












Cottage Grove
Where Pride and Prosperity Meet

Economic Development Authority Action Request

5.B.

Meeting Date 7/14/2026

Department Economic Development

Agenda Category Action Item

Title Agreement for Professional Services - Dowdle Studios, LLC

Staff Recommendation Approve Agreement for Professional Services with Dowdle Studios, LLC authorizing online sales assistance for the remaining inventory of City of Cottage Grove jigsaw puzzles.

Budget Implication

Attachments

1.	Dowdle Puzzle sales contract_staff report_7-14-2026_final
2.	Dowdle Puzzle Promotion Examples
3.	Agreement for Professional Services_Dowdle Puzzle (Cottage Grove) 4.16.26

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: July 14, 2026

RE: Dowdle Puzzle Sales Contract Approval

Background

On December 12, 2023, the Economic Development Authority (EDA) entered into an agreement with Dowdle Studios LLC for the creation of a custom Cottage Grove folk-art painting and the purchase of 3,000 retail jigsaw puzzles (1,000 count of 500-piece puzzles and 2,000 count of 1,000-piece puzzles). The project was intended to chronicle our community's rich history as part of the "Land That I Love" tour, with puzzle sales at local events and festivals serving as a cost-recovery model.

Discussion

As of July 1, 2026, the EDA has sold 486 of the 500-piece puzzle and 930 of the 1,000-piece puzzle for a total revenue in sale proceeds of $37,500 since 2024. Total costs of the puzzle project as of July 1, 2026, are $122,300. Total remaining sales need for recovery of the initial investment would be $84,800.

Puzzles have been sold through the City's online sales platform, at City events, and by direct marketing through the City's social media sites. To maximize engagement, staff has executed an aggressive and creative promotional strategy since the project's launch. Community-wide activations included featuring a 10-foot life-size copy of the puzzle for residents to sign at both the 2024 Cottage Grove Food Truck Festival and Hometown Holiday. The Recreation Department also hosted a highly successful, sold-out "Puzzle Frenzy" puzzle completion tournament, where interest was incredibly high and every competing team got to take their puzzle home.

Digital and social media pushes have been heavily leveraged to drive revenue during peak seasonal timelines. Staff ran a "cozy winter gift" campaign for the holiday season, as well as a Black Friday promotional window from November 25–30 offering buyers a chance to win a signed puzzle. Staff also executed a targeted graduation promotion twice, offering a signed puzzle with a purchase during a specific timeframe as a high school graduation gift. A major highlight of these promotional efforts was bringing Eric Dowdle himself back to Cottage Grove for the 2025 Strawberry Fest, where he rode in the parade and interacted with residents at the city booth to sign puzzles. Staff collaborated directly with Dowdle to cross-promote this appearance on his own established social media platforms, generating significant regional excitement.

While a substantial portion of the inventory has been successfully distributed through these efforts, the EDA currently retains 514 of the 500-piece puzzle and 1,070 of the 1,000-piece jigsaw puzzle. Staff is recommending the EDA shift to a new sales strategy to maximize cost recovery and extend the promotional reach of this project beyond local channels. Following

conversations with Eric Dowdle, staff negotiated a new Professional Services Agreement to leverage Dowdle Studios' established, national e-commerce platform.
Under the terms of the new agreement, the project will transition to the following operational structure:

- **Online Marketplace Hosting:** Dowdle Studios will list all remaining Cottage Grove jigsaw puzzles for sale directly on their corporate website.
- **Order Fulfillment Logistics:** When a puzzle is purchased online, Dowdle will immediately provide City staff with the buyer's information and a pre-paid (by Dowdle Studios) shipping label covering the full cost of shipping.
- **City Responsibility:** City staff will remain responsible for the physical packaging and shipping of the puzzle once the notification and label are received.
- **Revenue Structure:** Dowdle will pay the EDA $15.00 for every puzzle sold through their website. The City will submit itemized bills to Dowdle on a monthly basis, with payments due within 15 days of receipt.

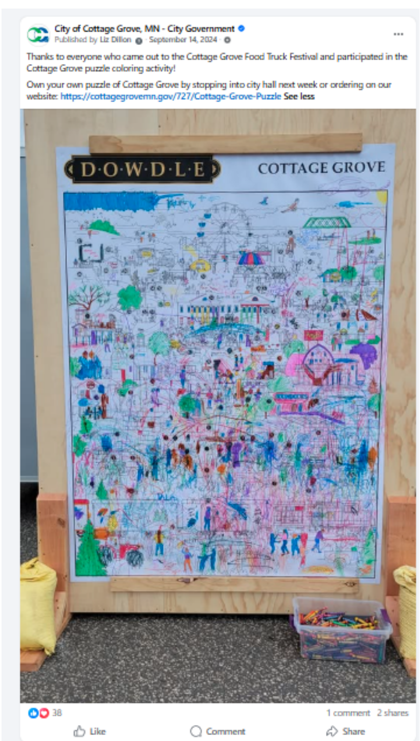
The agreement will remain in effect until all remaining inventory in the City's possession is successfully sold or until either party terminates the contract via a standard 30-day written notice. Furthermore, the City of Cottage Grove explicitly maintains its perpetual, irrevocable license to use the folk-art imagery for ongoing marketing and promotional purposes.

Recommendation
Approve the new Professional Services Agreement with Dowdle Studios, LLC authorizing online sales assistance for the remaining inventory of City of Cottage Grove jigsaw puzzles.

Dowdle Puzzle Promotion Examples:

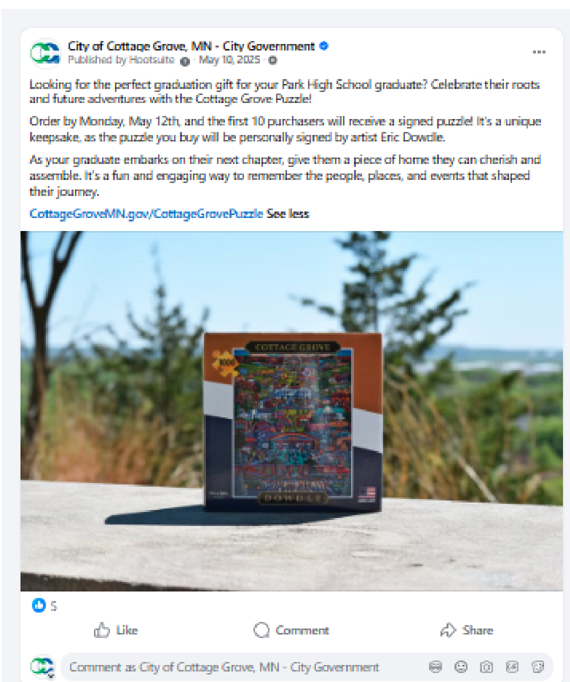
Holiday social promotion:

10ft coloring sheet used at Food Truck Festival and Hometown Holiday



Puzzle Frenzy Competition hosted by Parks and Rec

Graduation gift promo push



Collaborative posts with Dowdle team

City of Cottage Grove, MN - City Government ▸ Cottage Grove Puzzle Unveiling with Eric Dowdle
September 5, 2024 ·

Eric Dowdle Art & Puzzles will be in Cottage Grove on Saturday, Sept. 14 to unveil his painting of our amazing community!
https://fb.watch/upqwZhxTU7/

After the unveiling presentation, 500 and 1000 piece puzzles will go on sale for $28 and $30, respectively.

Make plans to attend the Cottage Grove Puzzle Unveiling with Eric Dowdle for a chance to get your puzzle signed or visit our booth at the Cottage Grove Food Truck Festival to be one of the first to get your puzzle! See less

Eric Dowdle Art & Puzzles is in Cottage Grove.
· Follow
August 26, 2024 ·

I'm so excited to share the new Dowdle Cottage Grove painting and puzzles!
Join me for the Celebration ... See more

Send message

6 2 comments

Like Comment

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT ("Agreement") is made and executed this 14th day of July, 2026, by and between the City of Cottage Grove Economic Development Authority, 12800 Ravine Parkway South, Cottage Grove, Minnesota 55016, ("EDA") and Dowdle Studios, LLC, 1280 West 200 South, Lindon, Utah 84042 ("Dowdle").

WHEREAS, on December 12, 2023, the EDA and Dowdle entered into an agreement for the EDA to purchase three thousand (3,000) jigsaw puzzles from Dowdle depicting certain people, places and events within the City of Cottage Grove; and

WHEREAS, the EDA has a number of unsold jigsaw puzzles and desires for Dowdle to assist in the sale of the remaining jigsaw puzzles owned by the EDA under the terms and conditions set forth in this Agreement.

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

1. SERVICES.

    a. EDA agrees to engage Dowdle as an independent contractor for the purpose of performing certain services ("Services"), as defined as follows:

        i. Dowdle shall post for sale on its website all remaining five hundred (500) and one thousand (1,000) piece jigsaw puzzles in the possession of the EDA which depict the people, places and events in the City of Cottage Grove ("Puzzles") that were purchased under the December 12, 2023, Service Agreement and as depicted in Exhibit A.

        ii. Upon the purchase of one of the Puzzles from the Dowdle website, Dowdle shall immediately inform the EDA of the sale and provide the EDA with the name and address of the purchaser and a shipping label covering the full cost of shipping the Puzzle(s) to the purchaser. Dowdle may transmit the information required under this subdivision to the EDA by email to the individual and address identified under Section 11 herein.

        iii. Once the EDA has received a sale notification, purchaser information and shipping label from Dowdle pursuant to Section 1(a)(ii), EDA shall be responsible for shipping the Puzzle(s) to the purchaser.

    b. Dowdle agrees to comply with all federal, state, and local laws and ordinances applicable to the Services to be performed under this Agreement. Dowdle represents and warrants that it has the requisite training, skills, and experience necessary to provide the Services.

2. PAYMENT.

   a. Dowdle shall pay the EDA fifteen dollars ($15.00) for every Puzzle sold pursuant to this Agreement.

   b. EDA shall submit an itemized bill to Dowdle on a monthly basis depicting the number of Puzzles sold and the amount owed to the EDA. All bills submitted to Dowdle by the EDA shall be paid within fifteen (15) days of receipt. Any amount not paid by Dowdle within fifteen (15) days of receipt of the itemized bill, absent any good faith dispute regarding the amount due, will be subject to a late charge in the maximum amount allowed under applicable law. Such interest shall accrue from the day after the date on which payment is due up to and including the date on which payment is received by EDA.

3. TERM. The term of this Agreement shall commence on the date written in the initial paragraph of this Agreement and shall remain in effect until all the Puzzles in the possession of the EDA are sold or the Agreement is terminated pursuant to Section 4 herein, whichever occurs first.

4. TERMINATION.

   a. Termination by Either Party. This Agreement may be terminated by either party upon thirty (30) days' written notice delivered to the other party to the addresses listed in Section 11 of this Agreement.

   b. Termination Due to Default. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure that is acceptable to the other party.

   c. Removal from Dowdle Website. If either party exercises its right to terminate this Agreement under Section 4(a) or (b) above, Dowdle shall immediately remove the Puzzles from its website as being for sale, but shall continue to process any purchases made prior to the date of termination, which shall include providing the EDA with the information required under Section 1(a)(iii) above to ship the purchased Puzzle(s).

5. PERPETUAL LICENSE. EDA shall maintain a perpetual and irrevocable license to use the images contained within the Puzzle to market and advertise at the EDA's discretion. This license, as established under the December 12, 2023, Services Agreement between the parties, shall survive the term of this Agreement.

6. STANDARD OF CARE. In performing its Services, Dowdle will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its

profession in the same locality at the time the Services are provided. No warranty, express or implied, is made or intended by Dowdle's undertaking herein or its performance of Services.

7. DELAY IN PERFORMANCE. Neither EDA nor Dowdle shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restraint; and inability to procure permits, licenses or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either EDA or Dowdle under this Agreement. If such circumstances occur, the nonperforming party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Dowdle will be entitled to payment for its reasonable additional charges, if any, due to the delay.

8. EDA'S REPRESENTATIVE. The EDA has designated Jennifer Levitt to act as the EDA's representative with respect to the Services to be performed under this Agreement. She shall have complete authority to transmit instructions, receive information, interpret, and define the EDA's policy and decisions with respect to the Services covered by this Agreement.

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

10. INDEMNIFICATION.

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

    b. Dowdle shall indemnify EDA against legal liability for damages arising out of claims by Dowdle's employees. EDA shall indemnify Dowdle against legal liability for damages arising out of claims by EDA's employees.

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

If to EDA: City of Cottage Grove Economic Development Authority

12800 Ravine Parkway South
Cottage Grove, MN 55016
Attention: Jennifer Levitt

Or emailed: jlevitt@cottagegrovemn.gov

If to Dowdle: Dowdle Studios, LLC
1280 West 200 South
Lindon, UT 84042
Attention: Eric Dowdle

Or emailed: hello@dowdlestudios.com

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

13. GENERAL PROVISIONS.

   a. Assignment. This Agreement is not assignable without the mutual written agreement of the parties.

   b. Waiver. A waiver by either EDA or Dowdle of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

   c. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota and any action must be venued in Washington County District Court.

   d. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both parties.

   e. Severability. If any term of this Agreement is found be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.

   f. Data Practices Compliance. All data collected by the EDA pursuant to this Agreement shall be subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.

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

CITY OF COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY

By: ________________________________
Myron Bailey, President

By: ________________________________
Jennifer Levitt, Executive Director

Date: ______________________________

DOWDLE STUDIOS, LLC ("DOWDLE")

Signature: ______________________

Name: ERIC DOWDLE

Its: ______________________

Date: 5-2-26

EXHIBIT A


COTTAGE GROVE
1000
CPKC


COTTAGE GROVE
500
BOONDOCKS
CPKC
16 x 20

Economic Development Authority Action Request

5.C.

Meeting Date	7/14/2026
Department	Economic Development
Agenda Category	Resolution
Title	Resolution Designating a Certain Building as Structurally Substandard - Majestic Ballroom
Staff Recommendation	Adopt Resolution 2026-004 which designates the Majestic Ballroom a substandard building in accordance with the laws governing a redevelopment tax increment financing district.
Budget Implication	

Attachments

1.	majestic Ballroom TIF findings_staff report_7-14-2026
2.	Ehlers Memo 6-11-26
3.	Cottage Grove Majestic Ballroom EDA RESOLUTION 2026-004_DESIGNATING SUBSTNDARD
4.	Majestic Ballroom TIF Letter of Finding

TO: Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Nate Carlson, Economic Development Manager

DATE: July 14, 2026

RE: Consider Resolution Designating a Certain Building as Structurally Substandard – Majestic Ballroom

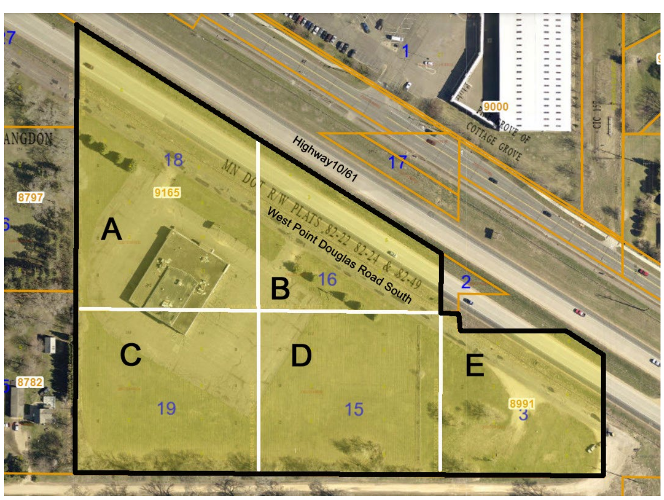
Discussion

The item before the EDA is to consider deeming the Majestic Ballroom a "structurally substandard building" as defined in State law related to making it eligible for Tax Increment Financing as a redevelopment district. This item is not an authorization for demolition. However, this action needs to occur before demolition can begin. This action item is necessary to consider Tax Increment Financing in the future. The attached resolution is a required action prior to a Redevelopment Tax Increment Financing (TIF) District being established. Sec. 469.174 MN Statutes subdivision 10 regulates the creation and uses of a Redevelopment district and details the necessary actions for deeming a building as "structurally substandard."

It is best practice that the City contracts with a consultant that conducts a report for the EDA and Council to review. In this case, City staff contracted with LHB to complete the work. A brief summary of the finds are listed below.

TIF Analysis Findings for 9165 West Point Douglas Road South

LHB was hired to inspect one building on five parcels in Cottage Grove, Minnesota, to determine if it meets the definition of "Substandard" as defined by *Minnesota Statutes, Section 469.174, subdivision 10*. The building parcels may potentially be part of a future Redevelopment TIF District, so they will need to be compliant with all the statutes pertaining to a Redevelopment District. The building is located at 9165 West Point Douglas Road South (Parcel A in Diagram 1 below).



Conclusion of Findings
After evaluating the condition of the building on March 9, 2026 and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the building qualifies as substandard.

To maintain the option of a Redevelopment TIF District in the future, the resolution deeming the building substandard must take place before demolition. The City's Financial Adviser, Schane Rudlang with Ehler's, has provided a memo to the EDA that provides detail of the future action.

It should be noted that these actions do not guarantee any financial assistance to a future project. This is merely a preliminary action to lay the foundation for a potential request. If this action is not taken, this common tool used to incentive redevelopment by cities would not be an option. Until an application is made, and a thorough review conducted, the City Council does not authorize any City assistance with the substandard building designation. As a developer plans for development and requests Tax Increment Financing for a project on this site, the City will adhere to the City's Business Subsidy Policy and State Statutes. Future actions would include the following:

1. Application made by developers of Majestic Ballroom Site
2. Financial analysis conducted for request.
3. Workshop with EDA to review financial analysis.
4. Hold a public hearing to establish the TIF District.
5. EDA takes action on TIF request.
6. Council affirms EDA decision.

There is no formal proposal for redevelopment of the site currently. However, staff is working with the current owner to clear the site and prepare for future development. The City Council will consider the following actions on Wednesday, July 15:

1. Affirm the EDA's action to adopt the substandard building findings for future establishment of a Redevelopment TIF district.
2. Approve a deferred assessment waiver with the current property owner to assess the cost of the demolition and site preparation to the owner and to be paid at time of a land transaction.
3. Award the demolition bid to the recommended contractor.
4. Demolition could then occur shortly after these actions by Council.

Recommendation
Adopt Resolution 2026-004 which designates the Majestic Ballroom a substandard building in accordance with the laws governing a redevelopment tax increment financing district.

MEMORANDUM

TO: Nate Carlson, Cottage Grove – Economic Development Coordinator

FROM: Schane Rudlang and Stacie Kvilvang - Ehlers

DATE: June 11, 2026

SUBJECT: Majestic Ballroom Redevelopment Site – TIF Redevelopment District Findings

Project Background

The City is considering the potential use of Tax Increment Financing ("TIF") to provide financial assistance for redevelopment of the Majestic Ballroom site (the "Site"). The Site is located at 9165 West Point Douglas Road South is situated on five parcels and contains a building and associated parking that is proposed to be demolished in order to prepare the Site for redevelopment. If a TIF district is ultimately created, TIF generated from the Site could be used to assist with eligible redevelopment costs (including demolition) consistent with the City's objectives for the Site.

Pre-Demolition Findings and Preservation of Eligibility

The use of TIF is governed by Minnesota Statutes, Sections 469.174 through 469.1794 ("TIF Act"). Among other requirements, the TIF Act requires that property qualifying for a redevelopment district include buildings that are structurally substandard to a degree requiring substantial renovation or clearance. The City obtained an inspection of the building from LHB Corporation to document its condition for purposes of the TIF Act. The inspection determined that the building is structurally substandard and further concludes that under the applicable statutory criteria that the parcels comprising the Site are occupied by the building and other improved areas.

The TIF Act recognizes that, in some circumstances, demolition of a substandard building may be in the public interest before redevelopment plans are finalized or before a TIF district is formally established. In that circumstance, the findings necessary to designate the building as substandard must be adopted before demolition, and a formal demolition agreement must be in place. The TIF Act allows the City up to **three years after demolition** to complete the additional steps necessary to establish the TIF district. Taking this action now preserves the Site's eligibility for consideration as a redevelopment TIF district and any future use of TIF remains subject to further City Council and EDA review and approval.

Next Steps

Based on the inspection report from LHB and the applicable statutory criteria, the City Council and EDA should adopt their respective resolutions making the required findings, thus preserving its ability to consider the future use of TIF for redevelopment of the Site. The EDA or City may thereafter undertake demolition of the existing structure if it determines doing so is appropriate to facilitate redevelopment of the Site.

EDA RESOLUTION NO. 2026-004

RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO A STRUCTURALLY SUBSTANDARD BUILDING AND OTHER IMPROVEMENTS PRIOR TO DEMOLITION IN CONNECTION WITH THE MAJESTIC BALLROOM SITE

WHEREAS, the Cottage Grove Economic Development Authority (the "Authority") is duly organized and existing under the Constitution and laws of the State of Minnesota;

WHEREAS, the Authority and the City of Cottage Grove, Minnesota (the "City") have determined that certain property currently identified as Parcel ID Nos. 21.027.21.41.0015, 21.027.21.41.0013, 21.027.21.41.0016, 21.027.21.41.0012, and 21.027.21.41.0005 located at approximately 9165 West Point Douglas Road South (the "Property") in the City is in need of redevelopment;

WHEREAS, the Authority and the City are considering establishing one or more Tax Increment Financing Districts which are anticipated to include the Property and adjacent roads and rights of way (each a "TIF District") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act");

WHEREAS, Section 469.174, subdivision 10(d), of the TIF Act, provides, among other things that a parcel may be deemed to be occupied by a structurally substandard building and/or other qualifying building and by improvements if (1) the parcel was occupied by a substandard building or other improvements within 3 years of the filing of the request for certification of the parcel as part of the district with the county auditor; (2) the substandard buildings or other improvements were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority; and (3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or other qualifying building and that after demolition and clearance the authority intended to include the parcel within a district;

WHEREAS, under Section 469.174, subdivision 10(d), of the TIF Act, the Authority is authorized to make findings regarding parcels occupied by a structurally substandard building and other improvements prior to demolition or removal of the building and other improvements and prior to establishing a TIF District and, subject to certain terms and conditions as described in this resolution, such buildings and other improvements will be deemed to exist at the time of establishing a TIF District despite demolition or removal;

WHEREAS, such findings and actions do not obligate the Authority to create a tax increment financing district but preserve the opportunity to do so;

WHEREAS, for public safety and redevelopment reasons, the Authority and the City wish to demolish a substandard building currently located on the Property in connection with redevelopment of the Property prior to the creation of the TIF District (the "Project");

WHEREAS, the Authority and the City have determined to designate certain expenses of the Authority or the City relating to the Project, including but not limited to, demolition, real estate, planning, engineering, infrastructure, environmental and administrative expenses and debt service costs related to financing such expenses (the "Expenditures") as an interfund loan under Section 469.178, subdivision 7 of the TIF Act.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Cottage Grove Economic Development Authority (the "Board") as follows:

1. The Board has received that certain TIF Analysis Findings for 9165 West Point Douglas Road South, dated April 2, 2026, prepared by LHB Corporation (the "Inspection Report"), documenting that the Property consists of five parcels with one building and, based on an inspection of the building, the building on the Property was determined to be substandard under the definition set forth in Minnesota Statutes, Sections 469.174, subdivision 10 (the "Substandard Building"). Based on the Inspection Report and other information available to the Board, the Board finds that the building currently on the Property is structurally substandard to a degree requiring substantial renovation or clearance. The reasons and supporting facts for this determination are included in the Inspection Report and on file with Authority staff.

2. In addition, in satisfaction of Minnesota Statutes Section 469.174, Subdivisions 10(a)(1) and (d)(3), the Board hereby finds, based on the Inspection Report, the following conditions, reasonably distributed throughout the proposed TIF District, exist: (1) parcels consisting of at least 70% of the area of the proposed TIF District are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and (2) more than 50% of the buildings located within the proposed TIF District are deemed "structurally substandard" (within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10(b) and (c)) to a degree requiring substantial renovation or clearance as follows:

The Property consists of five parcels, and (1) four of the five parcels (i.e. 80% which is more than 70%) are "occupied" as defined in Minnesota Statutes, Section 469.174, subdivision 10(e), in that at least 15% of the area of each parcel is occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures, and (2) there is one building on the Property, which is structurally substandard to a degree requiring substantial renovation or clearance and the costs of bringing the structurally substandard building into compliance with building codes applicable to a new building would exceed 15% of the cost of constructing new structures of the same size and type on the site.

3. After the date of approval of this resolution, the building and other improvements on the Property may be demolished or removed by the Authority or the City, or such demolition or removal may be financed by the Authority or the City, or may be undertaken by a developer pursuant to a development agreement between such developer and the Authority or the City.

4. The Authority and the City intend to demolish or finance the demolition of the Substandard Building on the Property and, subject to the requirements of the TIF Act, after demolition and clearance the Authority and the City intend to subsequently include the Property in one or more redevelopment TIF Districts, which, if established, shall be established and

certification requested therefor from the Washington County auditor within 3 years after the date of building demolition on the Property.

5. Upon filing the request for certification of a new TIF District, the Authority will notify the Washington County auditor that the original tax capacity of the Property must be adjusted to reflect the greater of (a) the current net tax capacity of the parcel, or (b) the estimated market value of the parcel for the year in which the Substandard Building thereon was demolished or removed, but applying class rates for the current year, all in accordance with Minnesota Statutes, Section 469.174, subdivision 10(d).

6. The Authority and the City hereby designate the Expenditures as an interfund loan to be repaid from the tax increments from the applicable TIF District, when and if established, in an aggregate principal amount up to $121,023.50 (the "Interfund Loan"), together with interest thereon from the date of expenditure or advance at the rate of 7.0%, which is the rate determined in accordance with Minnesota Statutes, Section 469.178, Subdivision 7 as the greater of the rates specified under Minnesota Statutes, Sections 270C.40 or 549.09 at the time the Interfund Loan, or any part of it, is first made; provided, however, the Economic Development Manager is authorized to specify a lower rate.

7. Principal and interest ("Payments") on the Interfund Loan will be paid annually on or before December 31 (each a "Payment Date"), commencing on the first Payment Date on which the Authority or the City has Available Tax Increment (defined below), or on any other dates determined by the Economic Development Manager, through the earlier of (i) the date the Interfund Loan and all accrued interest thereon are paid in full or (ii) the date of last receipt of tax increment from the applicable TIF District.

8. Payments on the Interfund Loan will be made solely from the tax increment from the applicable TIF District received by the Authority or the City from Washington County in the 12-month period before any Payment Date, net of the amount paid under any agreement with a private developer or otherwise pledged to the payment of any obligation (the "Available Tax Increment"). Payments shall be applied first to accrued interest, and then to unpaid principal, unless otherwise specified by the Economic Development Manager. Interest accruing from the loan date will be compounded semiannually on February 1 and August 1 of each year and added to principal, unless otherwise specified by the Economic Development Manager. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes, or contracts secured in whole or in part with tax increments of the applicable TIF District, and are on a parity with any other outstanding or future interfund loans secured in whole or in part with tax increments of such TIF District. The principal sum and all accrued interest payable under this resolution are pre-payable in whole or in part at any time by the Authority or the City without premium or penalty. As directed by the Economic Development Manager, such payments may be used to directly reimburse the City or the Authority for demolition, real estate, planning, engineering, infrastructure, and environmental expenses of the Project and administrative costs in connection with the Project.

9. This resolution is evidence of internal borrowing by the Authority and the City in accordance with Section 469.178, subdivision 7, of the TIF Act and the Authority and the City are authorized to advance or loan money from any fund from which such advances may be legally

made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act. The written terms and conditions of the Interfund Loan are set forth herein and may be modified or amended in writing by the Authority or the City, as applicable, prior to the final Payment Date.

10. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority or the City and is payable solely from Available Tax Increment.

11. The Authority or the City may at any time make a determination to forgive the outstanding principal amount on the Interfund Loan, in whole or in part, on any date, to the extent permissible under law.

12. The President, Vice President, and Executive Director are hereby authorized and directed to take all actions and sign any documents or agreements necessary to implement this resolution.

Approved by the Board of Commissioners of the Cottage Grove Economic Development Authority this 12th day of May, 2026.

Vice President

ATTEST:

Executive Director

4911-2709-4945.1

April 2, 2026

Nate Carlson
Economic Development Manager
City of Cottage Grove
12800 Ravine Parkway South
Cottage Grove, MN 55016

TIF ANALYSIS FINDINGS FOR 9165 WEST POINT DOUGLAS ROAD SOUTH

LHB was hired to inspect one building on five parcels in Cottage Grove, Minnesota, to determine if it meets the definition of "Substandard" as defined by *Minnesota Statutes, Section 469.174, subdivision 10*. The building parcels may potentially be part of a future Redevelopment TIF District, so they will need to be compliant with all the statutes pertaining to a Redevelopment District.

The building is located at 9165 West Point Douglas Road South (Parcel A in Diagram 1).

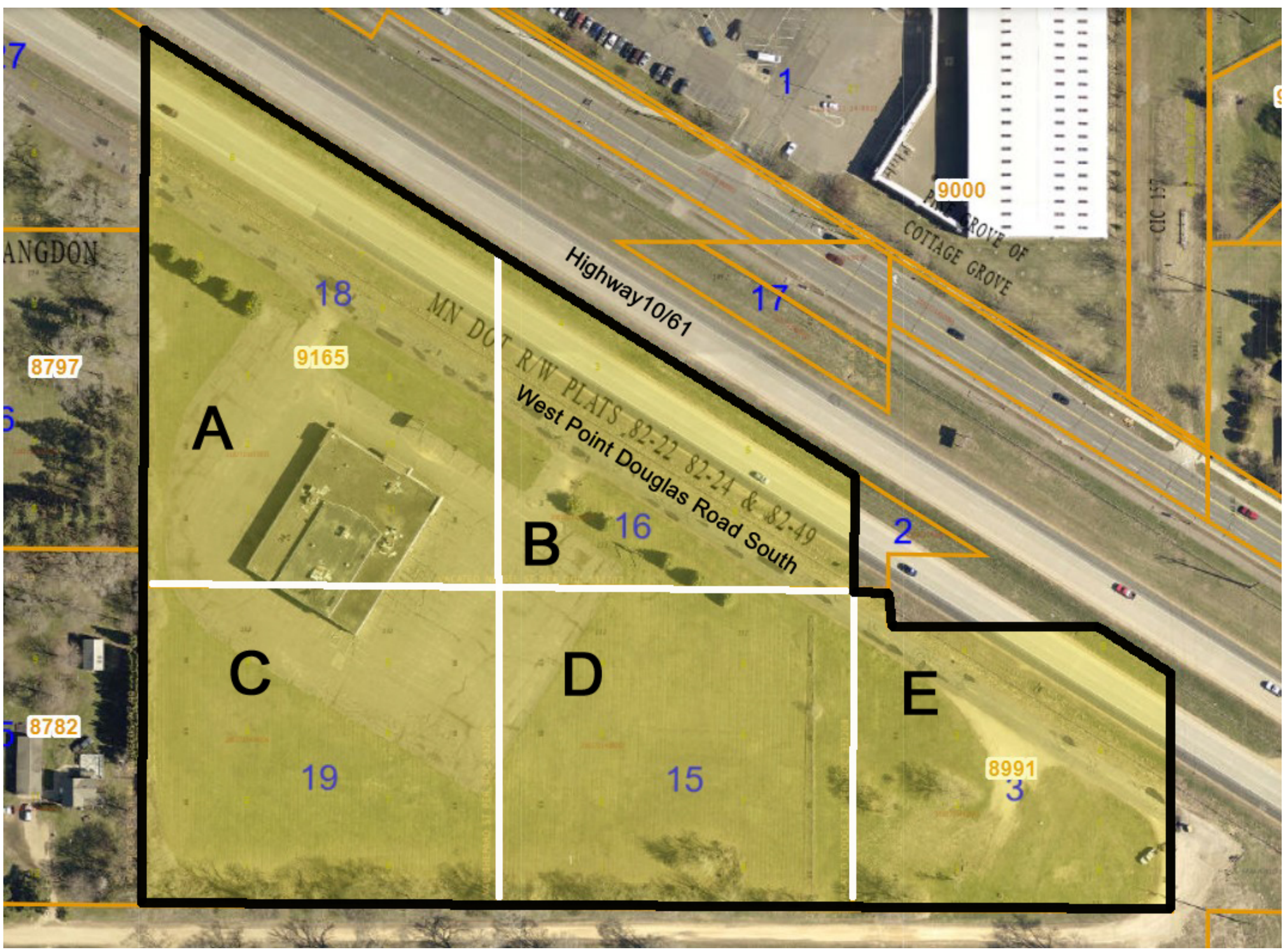


Diagram 1

CONCLUSION

After evaluating the condition of the building on March 9, 2026 and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the building qualifies as substandard.

The remainder of this letter and attachments describe our process and findings in detail.

MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION

> *"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."*

EXTERIOR INSPECTION AND OTHER MEANS

> *"An interior inspection of the property is not required, if the municipality finds that*
>
> > *(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and*
> >
> > *(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."*

DOCUMENTATION

> *"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1)."*

QUALIFICATION REQUIREMENTS

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires two tests for occupied parcels:

1. Coverage Test

   > *"…parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots…"*

   The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

   > *"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."*

The LHB team reviewed the following parcels:

Parcel A ID Number 21.027.21.41.0015

- The parcel is approximately 137,281 sf and is 81 percent covered by buildings, parking lots or other improvements.

Parcel B ID Number 21.027.21.41.0013

- The parcel is approximately 69,655 sf and is 82 percent covered by buildings, parking lots or other improvements.

Parcel C ID Number 21.027.21.41.0016

- The parcel is approximately 98,284 sf and is 30 percent covered by buildings, parking lots or other improvements.

Parcel D ID Number 21.027.21.41.0012

- The parcel is approximately 98,285 sf and is 12 percent covered by buildings, parking lots or other improvements.

Parcel E ID Number 21.027.21.41.0005

- The parcel is approximately 78,269 sf and is 32 percent covered by buildings, parking lots or other improvements.

Findings

Four out of five parcels are covered by buildings, parking lots or other improvements, exceeding the 15 percent parcel requirement.

2. Condition of Buildings Test

Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

> *"…and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"*

Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

> *"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."*

We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b))* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Findings

The building exceeds the criteria required to be determined a substandard building (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in *Subdivision 10(c)* which states:

> *"A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."*
>
> *"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."*

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c))* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- Chapter 13 of the *2015 Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the International Energy Conservation Code." Furthermore, *Minnesota Rules, Chapter 1305.0021 Subpart 9* states, "References to the International Energy Conservation Code in this code mean the Minnesota Energy Code…"
- Chapter 11 of the *2015 Minnesota Residential Code* incorporates *Minnesota Rules, Chapters, 1322 and 1323 Minnesota Energy Code*.
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

Findings

The building has code deficiencies exceeding the 15 percent building code deficiency criteria required to be determined substandard (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

TEAM CREDENTIALS

MICHAEL A. FISCHER, AIA, LEED AP - PROJECT PRINCIPAL / TIF ANALYST

Michael has 39 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 130 cities with strategic planning for TIF Districts. He is an Architectural Principal and Vice President at LHB.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including City Council President in Superior, Wisconsin, Chair of the Duluth/Superior Metropolitan Planning Organization, and Chair of the Edina, Minnesota Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

PHIL FISHER – INSPECTOR

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

ATTACHMENTS

We have attached a Building Code, Condition Deficiency and Context Analysis Report, Replacement Cost Report, Code Deficiency Report, and thumbnail photo sheets of the building.

Please contact me at (612) 752-6920 if you have any questions.

LHB, INC.

MICHAEL A. FISCHER, AIA, LEED AP

c: LHB Project No.260120.00

M:\26Proj\260120\300 Design\Reports\Final Report\260120 Majestic Ballroom TIF Letter of Finding.docx

Majestic Ballroom Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A — Majestic Ballroom

Address:	9165 West Point Douglas Road South, Cottage Grove, Minnesota 55016
Parcel ID:	2102721410015
Inspection Date(s) & Time(s):	March 9, 2026, 11:00 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	$2,938,700
Estimated Cost to Correct Building Code Deficiencies:	$1,353,902
Percentage of Replacement Cost for Building Code Deficiencies:	46.1%

DEFECTS IN STRUCTURAL ELEMENTS

1. The subsurface concrete block is damaged from water runoff, affecting structural integrity which should be repaired per code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
   a. There is no code required accessible parking.
   b. There is no code required accessible route into the building.
   c. The restrooms do not comply with accessibility code.

2. Light and Ventilation
   a. The lighting system does not comply with code.
   b. The electrical wiring system does not comply with code.
   c. The HVAC system does not comply with code.

3. Fire Protection/Adequate Egress
   a. Thresholds do not comply with code for maximum height.
   b. The flooring materials are damaged creating an impediment to emergency egress which is contrary to code.
   c. Debris is scattered over the floor creating an impediment to emergency egress which is contrary to code.
   d. There is no operable emergency exit signs as required by code.
   e. There are no operable emergency exit lights as required by code.

f. There is no code required emergency notification system.
g. There are no code required smoke detectors.
h. There is no code required building fire suppression system.

4. Layout and Condition of Interior Partitions/Materials
   a. Ceiling tile is damaged or missing and should be replaced, per code.
   b. Mold is present throughout the building.
   c. Interior walls should be repaired and repainted.

5. Exterior Construction
   a. Exterior wood trim should be repainted.
   b. The metal soffit by the front entrance is missing and should be replaced to prevent water intrusion per code.
   c. Exterior concrete block is cracked and damaged allowing for water intrusion which is contrary to code.
   d. Exterior concrete block should be repainted.
   e. Hollow metal exterior doors should be repainted.
   f. Downspouts should be replaced.
   g. Roofing materials have failed allowing for water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

1. Damaged subsurface concrete block should be repaired to protect the integrity of the foundation per code.
2. An accessible parking area should be created per code.
3. An accessible route into the building should be created per code.
4. The restrooms should be modified to comply with code.
5. A code compliant lighting system should be installed.
6. A code compliant electrical wiring system should be installed.
7. A code compliant HVAC system should be installed.
8. Thresholds should be modified to comply with code for maximum height.
9. Damaged flooring materials should be replaced to create a code required unimpeded means for emergency egress.
10. Debris on floor should be removed to create a code required unimpeded means for emergency egress.
11. Operable emergency exit signs should be installed.
12. An operable emergency lighting system should be installed.
13. An operable emergency notification system should be installed.
14. Code required smoke detectors should be installed.
15. A code required building fire suppression system should be installed.
16. Replace damaged/missing ceiling tile to comply with code.
17. Replace metal soffit to prevent water intrusion per code.
18. Repair/replace damaged concrete block to prevent water intrusion per code.
19. Replace failed roofing materials to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

The building exhibits several significant deficiencies that must be addressed to comply with current codes and ensure occupant safety. Water runoff has damaged the subsurface concrete block, compromising structural integrity and necessitating repairs per code. The property lacks code-required accessible parking and an accessible route into the building, and the restrooms are not compliant with accessibility standards. The lighting and electrical wiring systems fail to meet code requirements, as does the HVAC system. Additionally, thresholds exceed the maximum allowable height, and damaged flooring materials impede emergency egress, as does scattered debris throughout the interior. There are no operable emergency exit signs or lights, nor is there a required emergency notification system. The absence of smoke detectors and a building fire suppression system further increases risk. Damaged or missing ceiling tiles must be replaced, and mold is present throughout the building. Interior walls require repair and repainting, while exterior wood trim, concrete block, and hollow metal doors also need repainting. The metal soffit at the front entrance is missing, and both exterior and subsurface concrete blocks are cracked and damaged, allowing water intrusion. Downspouts require replacement, and the roofing materials have failed, contributing to additional water intrusion. These conditions collectively demonstrate that the building is not in compliance with applicable codes and must undergo substantial remediation to ensure safety and accessibility for all occupants.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

M:\26Proj\260120\300 Design\Reports\Building Reports\9165 West Point Douglas Road South Building Report Redevelopment District.docx

Majestic Ballroom Redevelopment TIF District

Replacement Cost Report

RSMeans data from GORDIAN

	Square Foot Cost Estimate Report	Date:	3/20/2026
Estimate Name:	9165 West Point Douglas Road South		
Building Type:	Concrete Block / Rigid Steel		
Location:	COTTAGE GROVE, MN		
Story Count:	1		
Story Height (L.F.):	14.00		
Floor Area (S.F.):	19400		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2026 Quarter 1	Costs are derived from a building model with basic components.	
Cost Per Square Foot:	$151.48	Scope differences and market conditions can cause costs to vary significantly.	
Building Cost:	$2,938,700.17		

		Quantity	% of Total	Cost Per S.F.	Cost
A	**Substructure**		**9.99%**	**$13.16**	**$255,291.86**
A1010	**Standard Foundations**			**$5.49**	**$106,577.28**
A10101051520	Foundation wall, CIP, 4' wall height, direct chute, .099 CY/LF, 4.8 PLF, 8" thick	140		$0.66	$12,815.60
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	560		$3.05	$59,134.60
A10101102500	Strip footing, concrete, reinforced, load 5.1 KLF, soil bearing capacity 3 KSF, 12" deep x 24" wide	560		$1.64	$31,826.20
A10102107200	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep	11.64		$0.14	$2,800.88
A1030	**Slab on Grade**			**$7.20**	**$139,748.87**
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	19400		$7.20	$139,748.87
A2010	**Basement Excavation**			**$0.46**	**$8,965.71**
A20101104560	Excavate and fill, 10,000 SF, 4' deep, sand, gravel, or common earth, on site storage	19400		$0.46	$8,965.71
B	**Shell**		**26.53%**	**$34.95**	**$677,942.79**
B1020	**Roof Construction**			**$15.74**	**$305,450.29**
B10201245200	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 45'x50' bay, 40 PSF superimposed load, 52.5" deep, 61 PSF total load	19400		$14.60	$283,219.05
B10201245250	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 45'x50' bay, 40 PSF superimposed load, 52.5" deep, 61 PSF total load, add for columns	19400		$1.15	$22,231.24
B2010	**Exterior Walls**			**$7.62**	**$147,772.71**
B20101155440	Concrete block (CMU) wall, split rib, 8 ribs, hollow, regular weight, 8x8x16, reinforced, vertical #5@32", grouted	6272		$7.62	$147,772.71
B2030	**Exterior Doors**			**$2.59**	**$50,291.04**
B20301106350	Door, aluminum & glass, without transom, narrow stile, double door, hardware, 6'-0" x 7'-0" opening	1.94		$1.29	$25,011.64
B20302203450	Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening	5.82		$1.30	$25,279.40
B3010	**Roof Coverings**			**$8.86**	**$171,969.77**
B30101051400	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped	19400		$4.34	$84,144.40
B30103203090	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite	19400		$3.11	$60,344.09
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	560		$0.81	$15,641.47
B30104300040	Flashing, aluminum, no backing sides, .019"	560		$0.27	$5,148.65
B30106305100	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick	560		$0.34	$6,691.16
B3020	**Roof Openings**			**$0.13**	**$2,458.98**
B30202100300	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", galvanized steel, 165 lbs	1		$0.13	$2,458.98

C		Interiors		25.41%	$33.47	$649,398.19
C1010		**Partitions**			**$6.20**	**$120,313.40**
C10101265800		Metal partition, 5/8"fire rated gypsum board face, 1/4" sound deadening gypsum board, 2-1/2" @ 24", same opposite face, no insulation	13857.14		$6.20	$120,313.40
C1020		**Interior Doors**			**$1.49**	**$28,854.51**
C10201022600		Door, single leaf, kd steel frame, hollow metal, commercial quality, flush. 3'-0" x 7'-0" x 1-3/8"	19.4		$1.49	$28,854.51
C1030		**Fittings**			**$2.85**	**$55,259.90**
C10301100460		Toilet partitions, cubicles, ceiling hung, stainless steel	19.4		$2.57	$49,893.15
C10305100120		Directory boards, outdoor, black plastic, 36" x 24"	1.94		$0.12	$2,271.41
C10305200100		Bulletin board, cork sheets, no frame, 1/4" thick	48.5		$0.02	$454.05
C10305200210		Chalkboards, wall hung, aluminum, wood frame & chalktrough	77.6		$0.12	$2,353.53
C10309100510		Mail boxes, horizontal, front loaded, aluminum, 10" x 12" x 15" deep	1.94		$0.01	$287.76
C3010		**Wall Finishes**			**$3.34**	**$64,839.41**
C30102202000		2 coats paint on masonry with block filler	6272		$1.68	$32,536.75
C30102300140		Painting, interior on plaster and drywall, walls & ceilings, roller work, primer & 2 coats	27714.29		$1.67	$32,302.66
C3020		**Floor Finishes**			**$8.38**	**$162,617.59**
C30204100160		Carpet, tufted, nylon, roll goods, 12' wide, 36 oz	9700		$2.97	$57,701.71
C30204100220		Carpet, padding, add to above, 2.7 density	9700		$0.63	$12,280.88
C30204100260		Composition flooring, acrylic, 1/4" thick	9700		$4.78	$92,635.00
C3030		**Ceiling Finishes**			**$11.21**	**$217,513.38**
C30302106000		Acoustic ceilings, 3/4" fiberglass board, 24" x 48" tile, tee grid, suspended support	19400		$11.21	$217,513.38
D		Services		38.07%	$50.14	$972,758.61
D2010		**Plumbing Fixtures**			**$5.24**	**$101,610.73**
D20101102000		Water closet, vitreous china, tank type, 2 piece close coupled	16.1		$1.70	$33,027.30
D20102102040		Urinal, vitreous china, stall type	3.05		$0.55	$10,700.12
D20103101640		Lavatory w/trim, vanity top, PE on CI, 18" round	6.4		$0.51	$9,895.51
D20104101800		Kitchen sink w/trim, countertop, PE on CI, 32" x 21" double bowl	3.05		$0.35	$6,712.75
D20104404300		Service sink w/trim, PE on CI,wall hung w/rim guard, 22" x 18"	3.05		$1.03	$20,050.20
D20108202080		Water cooler, electric, floor mounted, dual height, 14.3 GPH	6.11		$1.09	$21,224.85
D2020		**Domestic Water Distribution**			**$14.15**	**$274,573.39**
D20202402180		Electric water heater, commercial, 100< F rise, 350 gal, 180 KW 738 GPH	3.05		$14.15	$274,573.39
D2040		**Rain Water Drainage**			**$0.73**	**$14,111.57**
D20402104120		Roof drain, CI, soil,single hub, 3" diam, 10' high	3.05		$0.29	$5,636.86
D20402104200		Roof drain, CI, soil,single hub, 4" diam, 10' high	3.05		$0.44	$8,474.71
D3050		**Terminal & Package Units**			**$13.75**	**$266,832.45**
D30501504440		Rooftop, single zone, air conditioner, schools and colleges, 10,000 SF, 38.33 ton	19400		$13.75	$266,832.45
D4010		**Sprinklers**			**$4.32**	**$83,793.45**
D40104100620		Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF	19400		$4.32	$83,793.45
D5010		**Electrical Service/Distribution**			**$0.86**	**$16,724.74**
D50101200280		Overhead service installation, includes breakers, metering, 20' conduit & wire. 3 phase. 4 wire. 120/208 V. 200 A	1		$0.21	$4,158.95
D50102300280		Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	50		$0.21	$4,128.48
D50102400200		Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V. 3 phase. 400 A	0.5		$0.43	$8,437.31
D5020		**Lighting and Branch Wiring**			**$9.41**	**$182,618.60**
D50201100200		Receptacles incl plate, box, conduit, wire, 2.5 per 1000 SF, .3 watts per SF	19400		$2.67	$51,723.50
D50201350320		Miscellaneous power, 1.2 watts	19400		$0.48	$9,385.14
D50201400240		Central air conditioning power, 3 watts	19400		$0.93	$17,960.52
D50202100500		Fluorescent fixtures recess mounted in ceiling, 0.8 watt per SF, 20 FC, 5 fixtures @32 watt per 1000 SF	23280		$5.34	$103,549.44
D5030		**Communications and Security**			**$1.67**	**$32,493.68**
D50309100452		Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.85		$1.24	$24,132.81
D50309100460		Fire alarm command center, addressable without voice, excl. wire & conduit	1.94		$0.43	$8,360.87

E		Equipment & Furnishings		0.00%	$0.00	$0.00
E1090		Other Equipment			$0.00	$0.00
F		Special Construction		0.00%	$0.00	$0.00
G		Building Sitework		0.00%	$0.00	$0.00

SubTotal	**100%**	**$131.72**	**$2,555,391.45**
Contractor Fees (General Conditions,Overhead,Profit)	**15.0%**	**$19.76**	**$383,308.72**
Architectural Fees	**0.0%**	**$0.00**	**$0.00**
User Fees	**0.0%**	**$0.00**	**$0.00**
Total Building Cost		**$151.48**	**$2,938,700.17**

Majestic Ballroom Redevelopment TIF District

Code Deficiency Cost Report

Parcel A - 6165 West Point Douglas Road, Cottage Grove, Minnesota 55106
Parcel ID 2102721410015

Building Name or Type
Majestic Ballroom

Code Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items				
Parking				
Create a code required accessible parking area	$ 250.00	Lump	1	$ 250.00
Accessible Route				
Create a code required accessible route into the building	$ 500.00	Lump	1	$ 500.00
Restooms				
Modify restrooms to comply with code	$ 5.33	SF	19,400	$ 103,402.00
Structural Elements				
Foundation				
Repair concrete block foundation to prevent water intrusion per code	$ 1.25	SF	19,400	$ 24,250.00
Exiting				
Thresholds				
Modify thresholds to comply with code for maximum height	$ 500.00	Lump	1	$ 500.00
Flooring				
Replace damaged flooring to create a code required unimpeded means for emergency egress	$ 4.78	SF	19,400	$ 92,732.00
Clear all debris from floor to create a code reauired unimpeded means for emergency egress	$ 0.25	SF	19,400	$ 4,850.00
Exit Signs				
Install operable code compliant emergency exit sigsn	$ 0.25	SF	19,400	$ 4,850.00
Emergency Lighting				
Install operable code compliant emergency lighting	$ 1.50	SF	19,400	$ 29,100.00
Emergency Notification System				
Install a code compliant emergency notification system	$ 0.43	SF	19,400	$ 8,342.00
Fire Protection				
Smoke Detectors				
Install code required smoke detectors	$ 1.24	SF	19,400	$ 24,056.00
Ceiling Tile				
Install code required ceiling tile	$ 11.21	SF	19,400	$ 217,474.00
Building Fire Suppression System				
Install a code required building fire suppression system	$ 4.32	SF	19,400	$ 83,808.00
Exterior Construction				
Metal Soffit				
Replace missing metal soffit to prevent water intrusion per code	$ 5.00	SF	2,500	$ 12,500.00
Concrete Block Walls				
Replace damaged/missing concrete block to prevent water intrusion per code	$ 5.62	SF	19,400	$ 109,028.00

Code Related Cost Items	Unit Cost		Units	Unit Quantity		Total
Roof Construction						
Roofing Materials						
Replace failed roofing materials to prevent water intrusion per code	$	8.86	SF	19,400	$	171,884.00
Mechanical - Electrical						
Mechanical						
Install a code compliant HVAC system	$	13.75	SF	19,400	$	266,750.00
Electrical						
Install a code compliant lighting system	$	5.34	SF	19,400	$	103,596.00
Install a code compliant electrical wiring system	$	4.95	SF	19,400	$	96,030.00
				Total Code Improvements	**$**	**1,353,902**

Majestic Ballroom Redevelopment TIF District | Parcel A


IMG_7229.JPG


IMG_7230.JPG


IMG_7231.JPG


IMG_7232.JPG


IMG_7233.JPG


IMG_7234.JPG


IMG_7235.JPG


IMG_7236.JPG


IMG_7237.JPG


IMG_7238.JPG


IMG_7239.JPG


IMG_7240.JPG

Majestic Ballroom Redevelopment TIF District | Parcel A


IMG_7241.JPG


IMG_7242.JPG


IMG_7243.JPG


IMG_7244.JPG


IMG_7245.JPG


IMG_7246.JPG


IMG_7247.JPG


IMG_7248.JPG

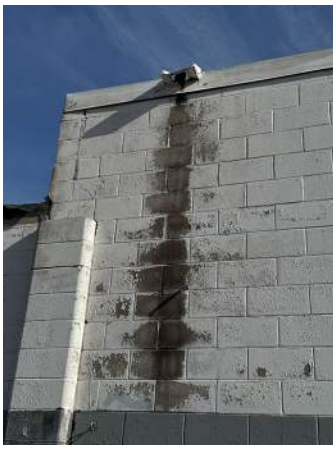

IMG_7249.JPG


IMG_7250.JPG


IMG_7251.JPG


IMG_7252.JPG

Majestic Ballroom Redevelopment TIF District | Parcel A



IMG_7253.JPG

IMG_7254.JPG

IMG_7255.JPG

IMG_7256.JPG

IMG_7257.JPG

IMG_7258.JPG

IMG_7259.JPG

IMG_7260.JPG

IMG_7261.JPG

IMG_7262.JPG

IMG_7263.JPG

IMG_7264.JPG

Majestic Ballroom Redevelopment TIF District | Parcel A


IMG_7265.JPG


IMG_7266.JPG


IMG_7267.JPG


IMG_7268.JPG


IMG_7269.JPG


IMG_7270.JPG


IMG_7271.JPG


IMG_7272.JPG


IMG_7273.JPG


IMG_7274.JPG


IMG_7275.JPG


IMG_7276.JPG

Majestic Ballroom Redevelopment TIF District | Parcel A


IMG_7277.JPG


IMG_7278.JPG

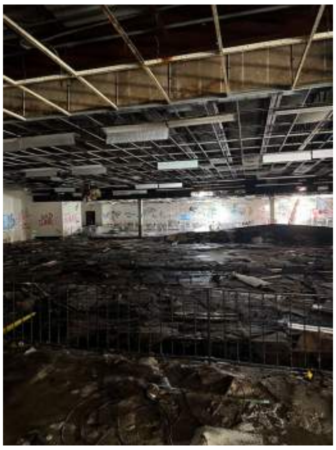

IMG_7279.JPG


IMG_7280.JPG


IMG_7281.JPG


IMG_7282.JPG


IMG_7283.JPG


IMG_7284.JPG


IMG_7285.JPG


IMG_7286.JPG


IMG_7287.JPG


IMG_7288.JPG

Majestic Ballroom Redevelopment TIF District | Parcel A


IMG_7289.JPG


IMG_7290.JPG


IMG_7291.JPG


IMG_7292.JPG


IMG_7293.JPG


IMG_7294.JPG


IMG_7295.JPG


IMG_7296.JPG