

CITY OF COTTAGE GROVE

Economic Development Authority

AGENDA

December 12, 2023, 7:30 AM

1. Call to Order
2. Roll Call
3. Approval of Minutes
 - 3.1 Approval of 8-29-2023 Meeting Minutes
4. Business Items
 - 4.1 Economic Development Update/Business Inquiry
 - 4.2 Report from Hunden Partners - Arena Market Implications Study Findings
 - 4.3 Housing and Redevelopment Authority (HRA) Levy
 - 4.4 2024 EDA Meeting Calendar
 - 4.5 Dowdle Services Agreement
 - 4.6 Trellis Co. Project Memo
 - 4.7 Viewpoint Project
5. Public Hearings
6. Other Business
 - 1 EDA Calendar
 - 2 EDA Comments
 - 3 Response to Previous EDA Comments
7. Workshop
8. Presentation
9. Adjournment

CITY OF COTTAGE GROVE

ECONOMIC DEVELOPMENT AUTHORITY

MINUTES Economic Development Authority (EDA) Meeting August 29, 2023

Pursuant to due call and notice thereof, a meeting of the Economic Development Authority was held on the 29th day of August, 2023, at 7:30 a.m.

CALL TO ORDER

The meeting was called to order at 7:30 a.m. by EDA President Bailey.

ROLL CALL

Assistant Mann called the roll: EDA President Bailey-Here; EDA Member Carey-Here; EDA Member Jean-Baptiste-Here; EDA Member Myers-Here; EDA Member Scott-Here; EDA Member Tschida-Here.

Members Present: Myron Bailey, EDA President
Chris Carey, EDA Member
Obed Jean-Baptiste, EDA Member
Dan Myers, EDA Member
Sandi Scott, EDA Member
Thomas Tschida, EDA Member

Members Absent: Steve Dennis, EDA Vice President

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

Others Present: None.

APPROVAL OF MINUTES

3.1 Approval of July 11, 2023 EDA Meeting Minutes

EDA Member Carey made a motion to approve the July 11, 2023 EDA Meeting Minutes. Motion was seconded by EDA Member Scott. Motion passed unanimously (4-to-0 vote). New EDA Members Jean-Baptiste and Tschida didn't vote on this item, as they weren't at the last meeting.

BUSINESS ITEMS

4.1 Economic Development Update/Business Inquiry

Gretchen Larson, Economic Development Director, reviewed the Beige Book Report: Employment: Grew moderately since the last report. Most workers surveyed reported job stability; however, many were still looking for a different job in hopes of increased income, but were experiencing difficulties finding a job that paid enough. Price pressures: Mild overall; however, businesses reported that the prices they charged to customers had increased since last year. Consumer spending: Was flat. Professional Services: Activity in that sector increased modestly. Construction Activity: Slightly higher since the last report. Commercial real estate: Activity was down. Residential real estate: Sales remained stalled. Manufacturing: Activity increased slightly. Agricultural Conditions: Weakened slightly. Minority and Women-Owned Business Enterprises: Their activity remained steady.

Project Updates: The Aurilla Luxury Apartments: Work has begun on the amenity deck and the pool/grilling area. Fourth floor is nearing completion, and final inspections will begin shortly for that floor. Interior trim work continues for the rest of the floors. Ribbon cutting scheduled for September 28 at 2:00 p.m. Pizza Ranch: The interior is complete, but there is a delay in the schedule as they wait for the rooftop mechanical equipment, stone, and electrical transformer. They still plan to open on September 18; staff is coordinating with them on their grand opening and ribbon cutting. Glacial Valley Park: Framing has started on the park building. The View Apartments: Finishing work continues for all three floors. Civil work is well underway. Norhart Apartment Building: Plans have been submitted for a five-story apartment building to be located at 10251 Hadley Avenue. Ulla Beauty: Grand opening on September 22. O2B Kids: Permit is soon to be issued for the new childcare center to be located in the vacant lot next to the Shoppes at Gateway North on Hardwood Avenue.

Director Larson stated she and Emily Schmitz, Community Development Director, would be happy to answer any questions, but none were asked.

4.2 Second Amendment to Amended and Restated Contract for Private Development with NorthPoint BGO Cottage Grove Logistics Park, LLC

Director Larson stated Cottage Grove Logistics Park is in our Business Park, and the EDA approved the creation of TIF District No. 1-20 for the Logistics Park in December 2021. In February 2023, the EDA approved a request for a First Amendment to the Amended and Restated TIF Agreement for the Phase II, and the commencement date would be from April 30 to October 31, 2023.

Since that time, NorthPoint has reported that given the current interest rates and constraints within the market and banking institutions, they are requesting a Second Amendment to the current contract. The request is that Phase IA have a completion date of July 30, 2025 and that Phase II have a commencement date of April 30, 2024. Staff (Ehlers, Director Malinowski, and the Planning Department) will monitor the TIF parameters going forward should additional extensions be requested. Before you is a recommendation, and we're happy to answer any questions.

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EDA President Bailey stated there was a NorthPoint representative in the room with us, if needed. He asked if there were any comments for staff or for the applicant, and there were none.

Recommendation: By motion, Approve the Second Amendment to the Amended and Restated Contract for Private Development by and between the Cottage Grove Economic Development Authority and NP BGO Cottage Grove Logistics Park, LLC.

EDA Member Scott made a motion to Approve the Second Amendment to the Amended and Restated Contract for Private Development by and between the Cottage Grove Economic Development Authority and NP BGO Cottage Grove Logistics Park, LLC. Motion was seconded by EDA Member Myers. Motion passed unanimously (6-to-0 vote).

4.3 Third Amendment to the Purchase Agreement - Ryan Companies

Jaime Mann, Assistant to the City Administrator, stated Ryan Companies has come back to us due to economic conditions like you just heard about in the NorthPoint presentation; those conditions are affecting many businesses, more than just one. They have requested additional time for closing as they work to secure financing and a tenant for the proposed building at the corner of 100th Street and Jamaica Avenue.

We signed a Purchase Agreement with them in February 2022; there were a couple of Amendments to extend the Closing Date, and they have asked for a Third Amendment to the Purchase Agreement to push the Closing Date out to September 6, 2024, on or before that time. With the extension, we have requested \$15,000 of their earnest money become nonrefundable once the contract is executed; we are not requesting any additional earnest money because we already have \$70,000 in earnest money from them. WAG Farms and Ryan Companies are both agreeable to the terms. The three Recommendations for this Third Amendment are before you, and she'll be happy to stand for any questions.

EDA Member Carey asked at what point do we stop allowing them Amendments; he understands that the economic conditions are changing, but asked if anyone else has expressed interest in this particular plot of land that may be able to execute this more quickly.

Assistant Mann replied at this time, we have no additional interest in the land; nobody has come forward asking us for any land holding on it.

EDA Member Carey stated the other ones were just several months out, and this one is an entire year out from, roughly, today. Assistant Mann stated that is correct.

EDA President Bailey stated he knew at one point they had a tenant that they were working with on cold storage, which is kind of what they're looking to do at that site. Unfortunately, just like we've been hearing, everybody is kind of hunkering down a bit; so, in his opinion, they do want to still extend this versus letting it go. In our conversation with them, they still have some people who are interested, but they just need more time to get it across the finish line. He stated he trusts Ryan Companies, as we've worked with them in the Business Park; if they didn't think they'd have somebody, he thought they would never ask for this extension.

Recommendation: By motion: 1) Adopt Resolution 2023-003 consenting to the Third Amendment to the Purchase Agreement between WAG Farms and the EDA and the Third Amendment to the Purchase Agreement between the EDA and Ryan Companies US, Inc. 2) Authorize the EDA President and the City Administrator to execute the Third Amendment to the Purchase Agreement with WAG Farms to extend the Closing Date to September 6, 2024. 3) Authorize the EDA President and the City Administrator to execute the Third Amendment to the Purchase Agreement with Ryan Companies, US, Inc. to extend the Closing Date to September 6, 2024 with an additional \$15,000 of the escrow becoming nonrefundable.

EDA Member Carey made a motion to Adopt Resolution 2023-003 consenting to the Third Amendment to the Purchase Agreement between WAG Farms and the EDA and the Third Amendment to the Purchase Agreement between the EDA and Ryan Companies US, Inc. Motion was seconded by EDA Member Tschida. Motion passed unanimously (6-to-0 vote).

EDA Member Jean-Baptiste made a motion to Authorize the EDA President and the City Administrator to execute the Third Amendment to the Purchase Agreement with WAG Farms to extend the Closing Date to September 6, 2024. Motion was seconded by EDA Member Scott. Motion passed unanimously (6-to-0 vote).

EDA Member Myers made a motion to Authorize the EDA President and the City Administrator to execute the Third Amendment to the Purchase Agreement with Ryan Companies, US, Inc. to extend the Closing Date to September 6, 2024 with an additional \$15,000 of the escrow becoming nonrefundable. Motion was seconded by EDA Member Tschida. Motion passed unanimously (6-to-0 vote).

4.4 Façade Improvement Grant Program

Assistant Mann gave the background of the Façade Improvement Program: It was started by the City in 2019, and it's a one-to-one match program, so we cover 50% of the costs up to \$24,999. It is meant to help improve the appearance of the commercial building stock that we have in Cottage Grove.

Businesses must meet criteria to qualify:

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

Priority Map: Priority is given to applications from two areas that contain a larger concentration of commercially zoned parcels as well as those areas in the community that have a more visible/higher traffic count.

Priority Zone 1: 80th Street and East Point Douglas Road.

Priority Zone 2: Southwest corner of 70th Street and Keats Avenue; Northwest corner of 70th Street and Hinton Avenue; West Point Douglas Road.

Funding: Funding is provided through the EDA. Every year, we budget \$75,000 so we can award up to three grants of \$24,999. Work cannot be completed until after the EDA approves the application and paperwork is signed with us. There is a list of eligible expenses and some things, like parking

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lots and lighting, are excluded. Any awarded dollars would be based on a 50% match of actual costs incurred by the business, up to a reimbursement amount of \$24,999.

Application Received: Hemingway Retail, LLC, 7584 80th Street South, in Priority Zone 1; this is the location of the future Dunkin'/Baskin-Robbins, across from GROVE80 Apartments.

Proposed Project:

- Removal of awnings and signs
- Masonry and other repairs and restoration to the existing exterior finishes
- Replacement and addition of several new storefronts, windows and/or doors
- Updating the monument sign
- New exterior building and accent lighting

Estimated Project Cost: \$222,950; Applicant is requesting the full \$24,999 matching grant for eligible expenses.

Assistant Mann stated the Recommendation is before you, and she'd be happy to stand for any questions.

EDA Member Carey stated this is the first he's heard that they were coming back, as he thought they weren't going to do those for a while.

EDA President Bailey stated our staff actually approved a Development Agreement with them over a year ago, and they took their Development Plan to Dunkin' Corporate, who said that they needed more stacking and needed some updates to their drive-through. In order to make that happen, they had to redesign it, to get approval from Dunkin', before they could move forward with this project. So, our staff worked with them to create a different way to get in. If you look at the displayed photo, on the far left you'll see that little bump out, and that's where Dunkin'-Baskin is going. The gentleman owns the entire center, so his intent is to lease out the remainder of the space at that center. They have some interested tenants, other than those who might already be there, and they want to get going on this. Just this morning, they sent an email to Director Schmitz finalizing everything because they're very interested in being open by December 31.

Recommendation: By motion, award Hemingway Retail, 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

EDA Member Scott made a motion to award Hemingway Retail, 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 was seconded by EDA Member Carey. Motion passed unanimously (6-to-0 vote).

PUBLIC HEARINGS

5.1 Kwik Trip, Inc. Land Sale

Director Larson stated they received a Letter of Intent (LOI) from Kwik Trip in May 2023 for the parcel indicated on the map, at the corner of Jamaica Avenue South and 95th Street South. Discussions on the LOI moved the project directly forward to a Purchase Agreement, which is what we're discussing today. The purchase price for the property is \$1,598,944.95. The vacant land is, as noted, approximately 6.76 acres and is Zoned I1. Kwik Trip plans to build their most recent, approximately 9,200 square foot, Gen 3 concept.

Kwik Trip Purchase Agreement

- As part of development, additional fill material will be needed for the site to be more pad ready.
- The proposed Dirt Agreement between the City and the EDA allows for excess material in Outlot C to be exported to adjacent properties.
- This property, as well as the adjacent Ryan Companies parcel, both need extensive amounts of fill material to make these parcels more favorable for development, while also expanding the regional basin LP3.
- Historically, all land in the Business Park has been sold to the EDA and then sold to the end user, allowing for cost recovery to make the site pad ready.
- Pursuant to Minnesota Statute 469.105, the EDA must hold a Public Hearing on the sale of the property and publish Notice of the hearing at least 10 but not more than 20 days in advance. Such Notice was published in the City's official newspaper for this hearing.

Director Larson stated staff is happy to answer any questions you may have, and noted the applicant is not here; no questions were asked.

EDA President Bailey opened the public hearing. As no one wished to speak on this item, EDA President Bailey closed the public hearing.

Recommendation, by Motion: 1) Approve Resolution 2023-004 authorizing the purchase of property from WAG and sale of property to Kwik Trip for development purposes. 2) Authorize the EDA President and City Administrator to execute the Purchase Agreement with WAG for the purchase of approximately 6.76 acres for development purposes. 3) Authorize the EDA President and City Administrator to execute the Purchase Agreement with Kwik Trip for the sale of approximately 6.76 acres for development purposes subject to minor modifications by the City Attorney. 4) Authorize the EDA President and City Administrator to execute the Agreement between the City of Cottage Grove and the Cottage Grove Economic Development Authority for the sale of fill material.

Motion by EDA Member Myers to Approve Resolution 2023-004 authorizing the purchase of property from WAG and sale of property to Kwik Trip for development purposes. Motion was seconded by EDA Member Scott. Motion passed unanimously (6-to-0 vote).

Motion by EDA Member Tschida to Authorize the EDA President and City Administrator to execute the Purchase Agreement with WAG for the purchase of approximately 6.76 acres for development purposes. Motion was seconded by EDA Member Jean-Baptiste. Motion passed unanimously (6-to-0 vote).

Motion by EDA Member Carey to Authorize the EDA President and City Administrator to execute the Purchase Agreement with Kwik Trip for the sale of approximately 6.76 acres for development purposes subject to minor modifications by the City Attorney. Motion was seconded by EDA Member Tschida. Motion passed unanimously (6-to-0 vote).

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Motion by EDA Member Scott to Authorize the EDA President and City Administrator to execute the Agreement between the City of Cottage Grove and the Cottage Grove Economic Development Authority for the sale of fill material. Motion was seconded by EDA Member Tschida. Motion passed unanimously (6-to-0 vote).

OTHER BUSINESS

6.1 EDA Calendar

EDA President Bailey explained for the new EDA Members that all commissions receive a calendar that lists projects and events in the community. Today, at 9:30 a.m., there will be a Southwest Arterial event, on the corner of Jamaica and 100th Street; this is a project that will expand 100th Street from Jamaica all the way to Highway 61 with a bridge that will go over the railroad tracks there. It will be a straight expansion for that road to get truck traffic all the way to Highway 61 versus pushing everyone to the roundabout on Jamaica. State Representative Angie Craig will be there, along with Washington County staff, who is putting this project together. Members of the Transportation Advisory Board, on which EDA President Bailey serves, will be there, as they were one of the groups that actually put money towards this project, as did Representative Craig. We're still trying to get more money for this project, hopefully by the end of this year. We will move forward with that project in the upcoming years. We're also working with 3M, as they have vacant land/open space there; as they've made changes to uses on their site, they no longer need as much space, so they're interested in selling some of that land. Hopefully, we'll be able to expand our Business Park, as it's pretty much full at this point. This will also eventually give us direct access from the south to the Langdon Village area, where the Majestic Ballroom is located. We really need access to that area from the south and the north, not just a single way in and out. It's a very important project for the future of Cottage Grove and its business community tax base. You're welcome to stop out there today to see the diagrams and hear some people speak about this.

6.2 EDA Comments

EDA President Bailey welcomed our two newest EDA Members to their first meeting. He and EDA Vice President Dennis had interviewed five applicants. All five were great, but these two, EDA Member Jean-Baptiste and EDA Member Tschida, rose to the top.

6.3 Response to Previous EDA Comments - None.

7 WORKSHOP - None.

8 ADJOURNMENT

EDA Member Carey made a motion to adjourn. Motion was seconded by EDA Member Tschida. Motion passed unanimously (6-to-0 vote). The meeting was adjourned at 7:27 a.m.

Respectfully submitted,

Jaime Mann
Assistant to the City Administrator

/jag



Federal Reserve Bank of Minneapolis

The Beige Book ■ November 2023

Summary of Economic Activity

Economic activity in the Ninth District was flat to down slightly since the previous report. Employment grew modestly, but job openings declined. Wage pressures were unchanged but ongoing wage growth remained above average, while price pressures were modest. Growth was noted in some areas of construction, but residential construction was slow, and manufacturing also fell slightly. Consumer spending was flat. Agriculture weakened as farm incomes softened, and energy exploration was unchanged. Minority- and women-owned businesses reported steady activity.

Labor Markets

Employment grew modestly since the last report. But there was variation among sectors, some of which had increased layoffs. Labor demand was positive overall but somewhat lower than earlier in the year. Some contacts reported that they were not replacing workers who had left, or were eliminating open positions. Strong labor demand was reported by health care and finance firms, while hiring sentiment was softer in other sectors, including manufacturing. More than half of construction contacts were hiring, though many were attempting to fill turnover; the share that was not hiring grew, and one in seven was cutting workers. Expected labor demand for the coming months was moderately positive overall. Among those planning to hire, a notable share cited overworked staff as an important factor for doing so.

Wage pressures were unchanged since the last report, but ongoing wage growth remained above average. A general survey of District firms found that about 30 percent were raising wages by more than usual, while a similar share reported raising wages by less than usual or not at all. A survey of construction firms found that about 70 percent had increased wages by at least 3 percent over the last year despite some evidence of recent sectoral slowing. Expectations of future wage increases were similar to the sentiment six months ago.

Prices

Price pressures increased modestly since the last report. Slightly fewer than a quarter of firms responding to an October business conditions survey indicated that their prices charged to customers increased from the month prior, while 15 percent said they reduced their prices. A larger share reported that their nonlabor input prices increased. Administrative contacts reported an increase in the price of office supplies. A regional food producer said that milk and cheese prices declined recently. Retail fuel prices in District states decreased briskly since the previous report.

Worker Experience

In a recent survey, half of employed respondents expressed satisfaction with their current job, wages, and company culture. The other half of respondents were looking for new opportunities and hoping to increase their earnings, but they categorized potential opportunities as average at best. Job seeking respondents cited bad job options, lack of response from potential employers, and unreasonable skill or experience expectations as the top three factors preventing them from reaching their objectives. A worker highlighted that starting pay was "far too low" despite his experience in a variety of trades. Another worker expressed frustration with college education

requirements, saying that "most companies are not willing to compensate for years of service without a degree."

Consumer Spending

Consumer spending was flat since the last report. Recent sales tax receipts in Minnesota were flat month over month and year over year. Contacts reported that consumers have become more price sensitive for everyday goods, with growing purchases at low-cost retailers compared with premium ones. At the same time, sales of some big-ticket items remained healthy. A vehicle dealer with locations in multiple District states saw October sales rise by 10 percent over last year. A northern Wisconsin banker noted the disparate tendencies. "People are mad about eggs costing more, but they'll still buy a car." Other banking contacts noted increased use of credit card and home equity lines of credit to maintain spending levels. Tourism traffic in Michigan's Upper Peninsula remained robust this fall. Hotel occupancy rates in Minnesota were notably higher than a year ago, and lodging and accommodation fees in Montana remained on par with last year's record pace.

Construction and Real Estate

Construction activity was flat overall since the last report, with considerable variation among subsectors and some concern for near-term activity. Firms involved with larger industrial and infrastructure projects reported moderately increased activity compared with last year, while firms in the commercial and especially residential sectors saw lower revenues over the same period. Contacts across the sector noted that project backlogs had shrunk, particularly for residential and commercial projects; new projects out for bid had also fallen. As a result, activity across the sector was expected to be lower over the coming months compared with last year. However, public sector projects remained healthy, and single-family permitting also increased in recent months in some markets. In Minneapolis-St. Paul, October permitted units doubled over the last year.

Commercial real estate fell modestly. Office space remained challenging, with high vacancy rates because large tenants continued to seek smaller footprints. Multifamily vacancy rates have risen in many regions as new units come to market; however, new developments in this sector have slowed. Speculative development has also slowed for industrial space as vacancy rates ticked slightly higher, but from low levels. Residential real estate remained subdued, with year-over-year sales continuing to decline.

Manufacturing

District manufacturing activity decreased slightly since the previous report. Manufacturing respondents to an October business conditions survey reported decreased orders on balance relative to a month earlier, with expectations for a further decrease in the month ahead. A regional manufacturing index indicated increased activity in North Dakota and South Dakota in October from a month earlier, while activity decreased slightly in Minnesota. A custom manufacturer said recent sales "dropped like a rock." One contact reported that because of the undersupply of workers to the sector, "thousands of unfilled jobs would need to be eliminated before anyone gets to layoffs."

Agriculture, Energy, and Natural Resources

District agricultural conditions deteriorated slightly since the last report. Despite better-than-expected crop production, lenders responding to the Minneapolis Fed's third-quarter survey of agricultural credit conditions, conducted in October, reported lower farm incomes and capital spending over the period relative to a year earlier. Contacts expressed concern over the impact of rising interest costs as borrowing increases. District oil and gas drilling activity was unchanged since the previous report.

Minority- and Women-Owned Business Enterprises

Activity among minority- and women-owned business enterprises (MWBE) was balanced overall, according to respondents to a monthly survey. Roughly even shares of respondents reported higher, unchanged, or lower sales in recent weeks. Profit margins were lower for more than half of respondents while capital expenditures edged higher on balance. Hiring demand and staffing levels were largely flat. Only a quarter of respondents reported having increased their final selling prices, but 35 percent expected to increase them within the next month. A Minnesota contact expected MWBE construction companies to be disproportionately affected as federal funding and high interest rates shift activity from multifamily housing developments to infrastructure projects. "The capital required for infrastructure projects is greater than for vertical building. Lack of access to banking capital continues to leave MWBE companies at a disadvantage," they highlighted.

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

TO: Economic Development Authority

FROM: Emily Schmitz, Community Development Director

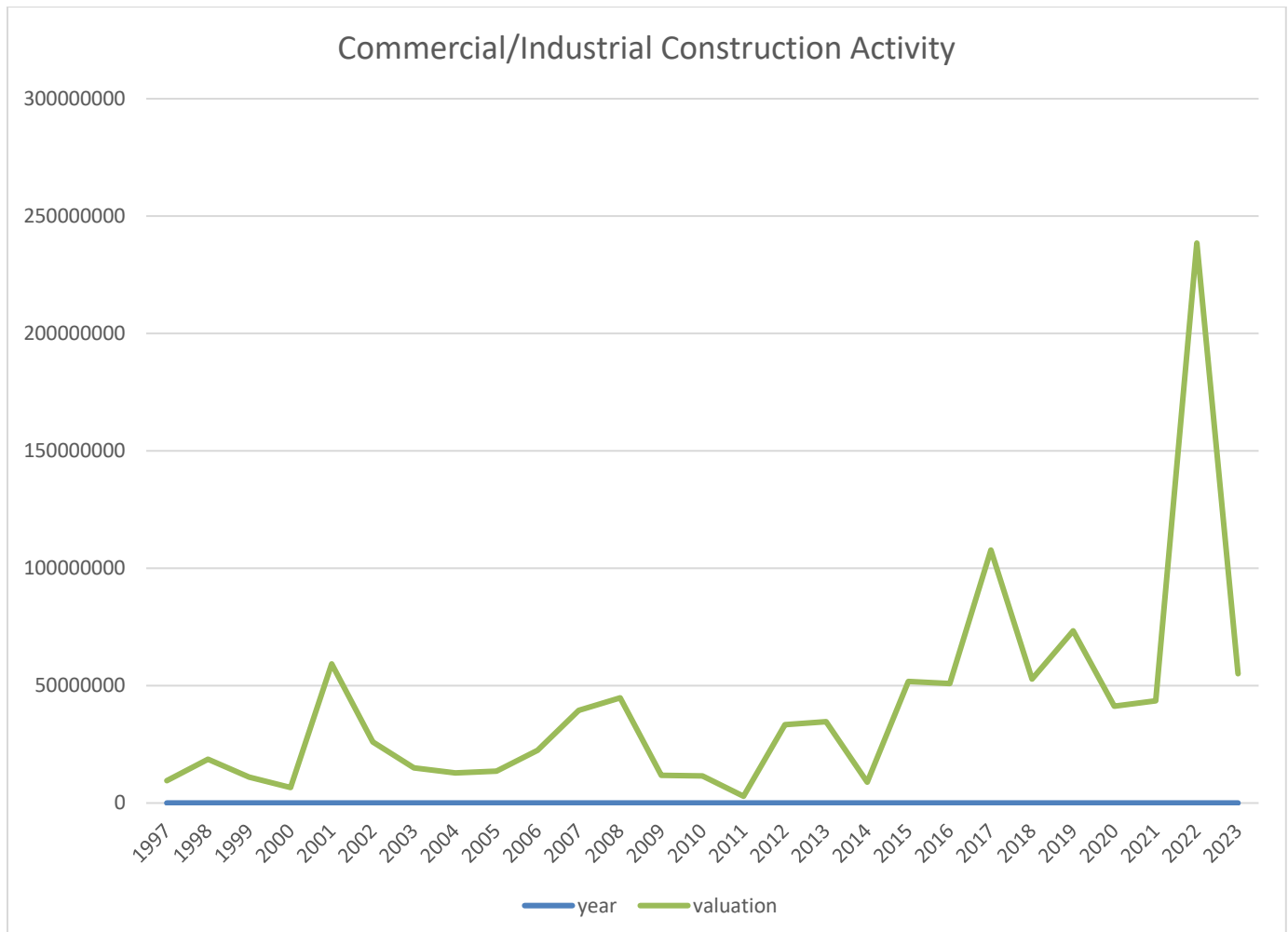
DATE: December 6, 2023

RE: Development Update

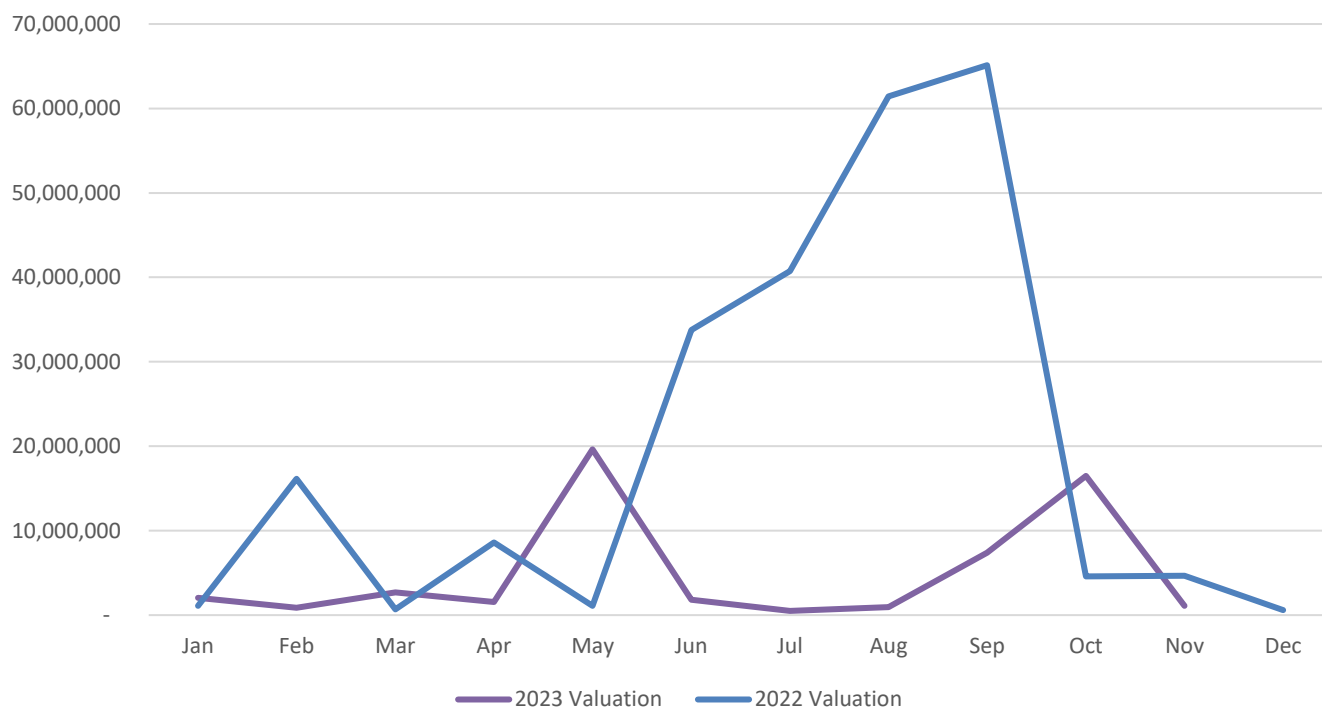
Building Permits

Building Permit Statistics:

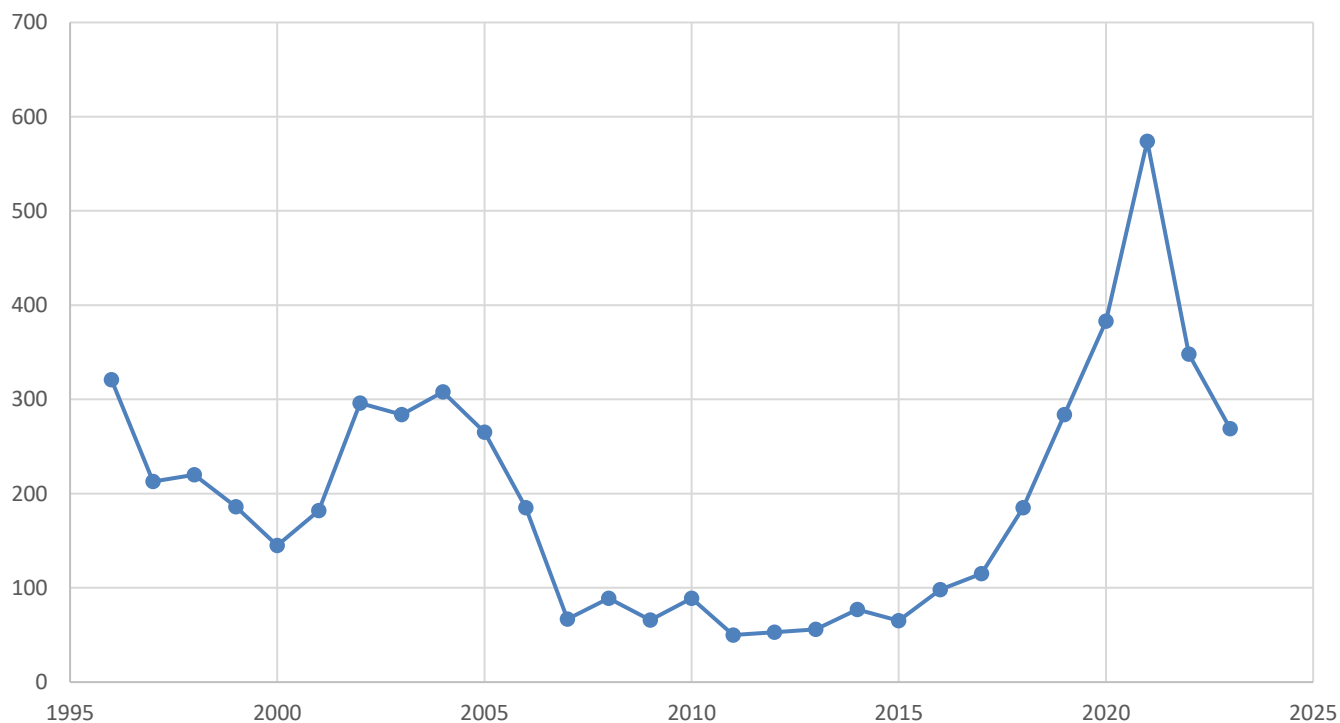
Building Permit Statistics: Between November 1 and November 30, there were 363 building permits issued with a total valuation of \$8,711,083, including 9 single-family homes valued at \$3,048,740 and 8 townhomes valued at \$2,174,913.



Commercial Permit Valuation Comparison By Month 2022-2023



Residential Permits - New Construction 1996 to 2023



Current Project Updates

Building Construction Projects

The View: Temporary Certificate of Occupancy has been issued as work continues to finish the outstanding items for a full CO.



Trellis Bluestem Apartments: Plans have been submitted for the apartment building to be located at 7601 79th Street South. Construction is planned to begin in 2024.

Dunkin'/Baskin Robbins: Trade work continues on this tenant buildout.



Chase Bank: Plans have been approved. Staff is waiting for a cross-parking agreement from Kohl's.

O2B Kids: Civil work and the construction of the retaining wall are underway.

Hemingway Retail Center: Work has begun for the civil and façade improvements.

Cottage Grove Logistics Park:

- Finishing work has begun for speculative office in the 7601 building.
- The office build out in the 7701 building is completed but waiting on electrical equipment to finish the buildout.

RJ Schinner: A Temporary Certificate of Occupancy has been issued.

Hemingway Industrial Center: Temporary Certificate of Occupancies are set to be done sometime in the month of December or January depending on the availability of electrical equipment.

Hohenstein's: Foundation work has been completed, and the erection of the exterior wall panels has begun.



Tradehome Shoes: Finishing work has been started for the mezzanine and lower level.

Dodge Nature Center – Shepard Farm: A Temporary Certificate of Occupancy has been granted.



Glacial Valley Park: A Temporary of Certificate of Occupancy was issued, while waiting for exterior finishing material.



3M Projects:

- Underground plumbing work is currently being installed for an addition to Building #150.
- Process piping and filtration systems is nearing completion and final inspection will be starting in the near months for Building #150.
- Installation of process piping continues in Building #151.
- Construction work continues for all five pump houses as part of Bid Pack #6 (pump houses and process piping) and new clarifiers as part of their water treatment processing.
- The first of many demolition permits has been issued for the incinerator for the removal of equipment and to tear down the building.

Planning Division

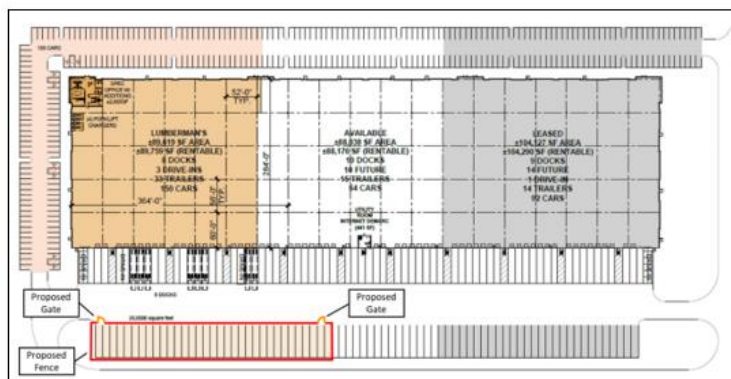
November 27 Planning Commission Meeting

The November 27, 2023, Planning Commission meeting was cancelled as there were no applications to come before the Commission.

December 18 Planning Commission Meeting:

The following applications have been received for the December 18, 2023, Planning Commission meeting:

Lumbermen's Outdoor Storage: Lumbermen's, Inc., with approval from Northpoint Development, has applied for a Conditional Use Permit to allow for 25,000 square feet of outdoor storage of materials in the southwest semi-trailer parking area at 7601 100th Street South.



Roers Companies Cottage Grove Apartments: Roers Companies has applied for a Site Plan Review, Planned Unit Development (PUD), and Preliminary Plat for a proposed 144-unit mixed-income apartment building to be located at 6850 East Point Douglas Road.





TO: President Bailey and Members of the Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Gretchen Larson, Economic Development Director

DATE: December 6, 2023

RE: Final Report from Hunden Partners – Arena Market Implications Study

Background

At the May ICSC tradeshow the city team met with the developer who has the option on the 73-acre Shoppes at Cottage View property and the team at Hunden Partners who specialize in feasibility studies related to entertainment venues. The developer had stated that as a part of the property development, that a multi-use sports and entertainment venue (stadium) was recommended. As with all large projects there are elements that will go into the proposed development that may need to be analyzed and the feasibility and need for an event venue was one of those questions.

At the July 7 EDA meeting a request to engage the services of Hunden Partners for a Phase 1 Arena Market Evaluation and Implications Study was presented to the board. After review and analysis, the board voted to approve the agreement as recommended. The cost of the study was \$20,000 and the proposed timeframe for completion was late September to early October.

In October the City Administrator and staff, along with the developer, met virtually with the team at Hunden Partners to receive preliminary findings on the Arena Implications Market Study. The findings indicate that a USHL Tier 1 team would work successfully in our market with a 2,400-seat arena, unfortunately there is no entertainment market of a venue that size to fill a schedule to support the arena. This would mean that a venue could not be supported financially to cover operational expenses.

Hunden Partners will present their findings to the EDA at the December 12 meeting.

Recommendation

Receive and accept report from Hunden Partners on their findings related to the Arena Market Implications Study as presented.

Attachments

Final Arena Market Implications Study



Cottage Grove, Minnesota

High-Level Arena Market Analysis

FINAL REPORT

December 12, 2023





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2. Economic, Demographic & Tourism Analysis
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01

Executive Summary



Project Site & Situation Overview

The City of Cottage Grove (Client) hired Hunden Partners (Hunden) to complete a high-level market demand and financial feasibility analysis to determine the potential for an arena and entertainment district development (Project) in Cottage Grove, Minnesota.

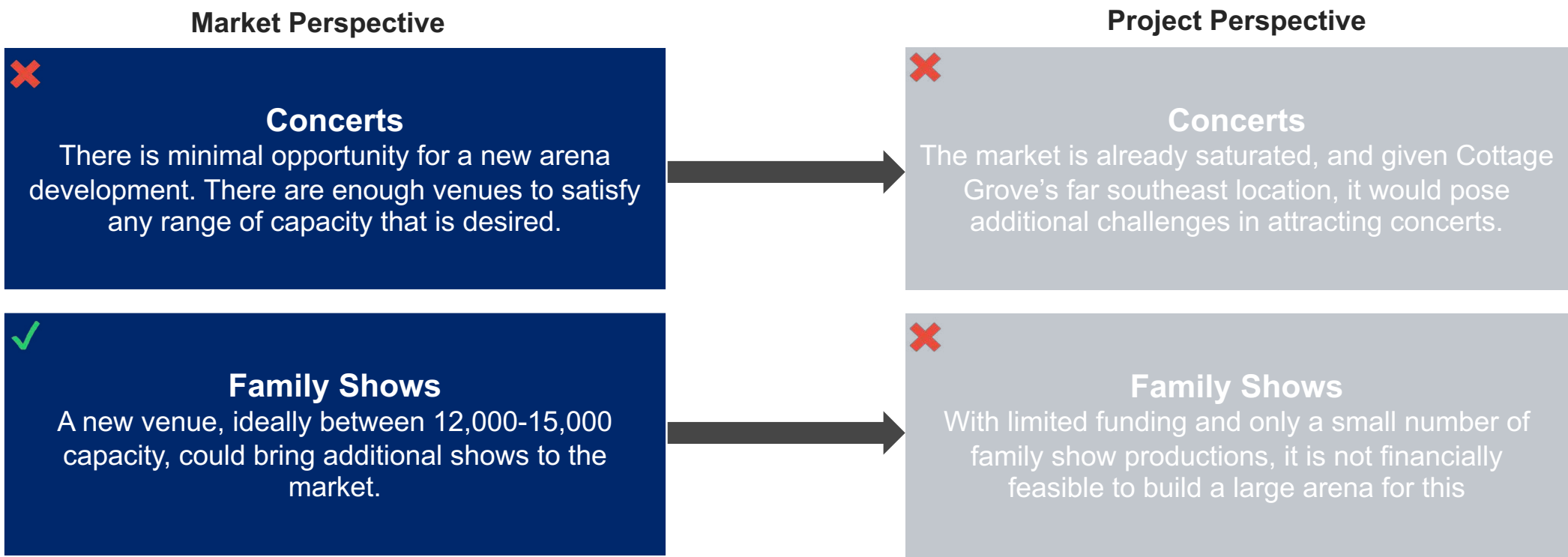
The City has identified a 73-acre site available and under contract for a new arena and mixed-use development district, shown in the figure to the right.

The scope of the study includes an overview of Cottage Grove in relation to the Minneapolis-St. Paul metropolitan market (abbreviated as “Minneapolis” throughout the report) and an analysis of the regional arena and entertainment market.



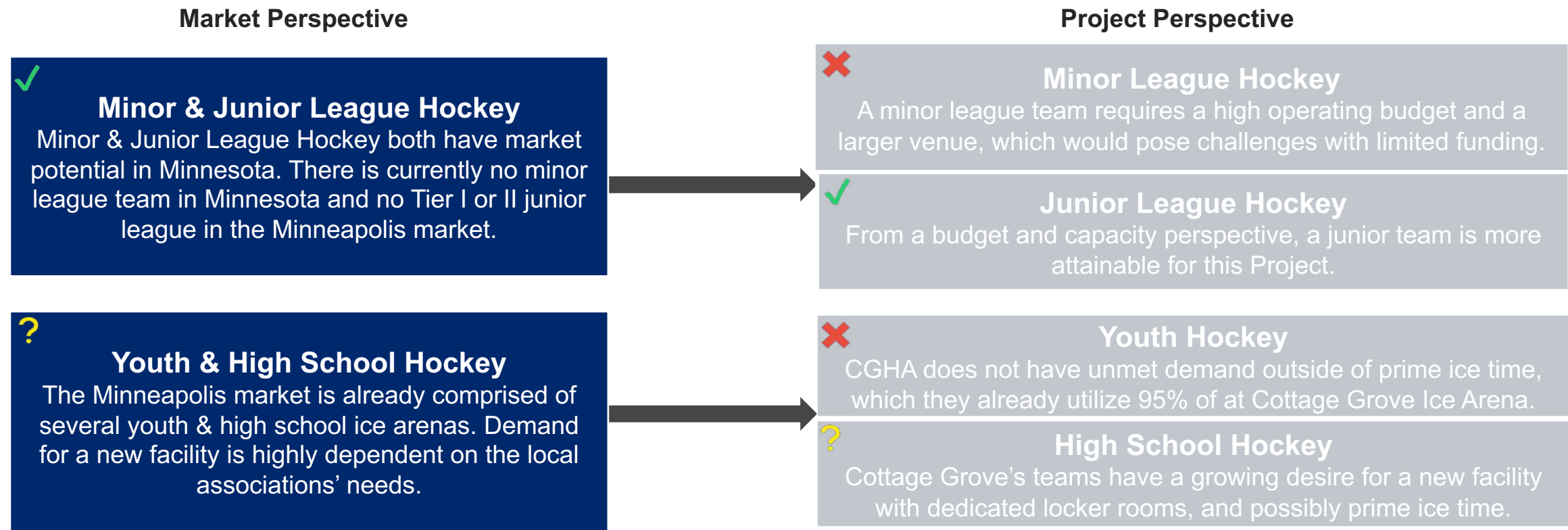
Concerts & Family Shows

Regardless of market opportunity, determining whether it makes sense for the Project to capitalize on that opportunity depends on certain characteristics such as funding and location. Below is a summary of the opportunity for a new arena development to encompass concerts & family shows in the Minneapolis market, from both a market and project perspective.



Sporting Events

Regardless of market opportunity, determining whether it makes sense for the Project to capitalize on that opportunity depends on certain characteristics such as funding and location. Below is a summary of the opportunity for a new arena development to encompass hockey in the Minneapolis market, from both a market and project perspective.



02

Economic, Demographic & Tourism Analysis

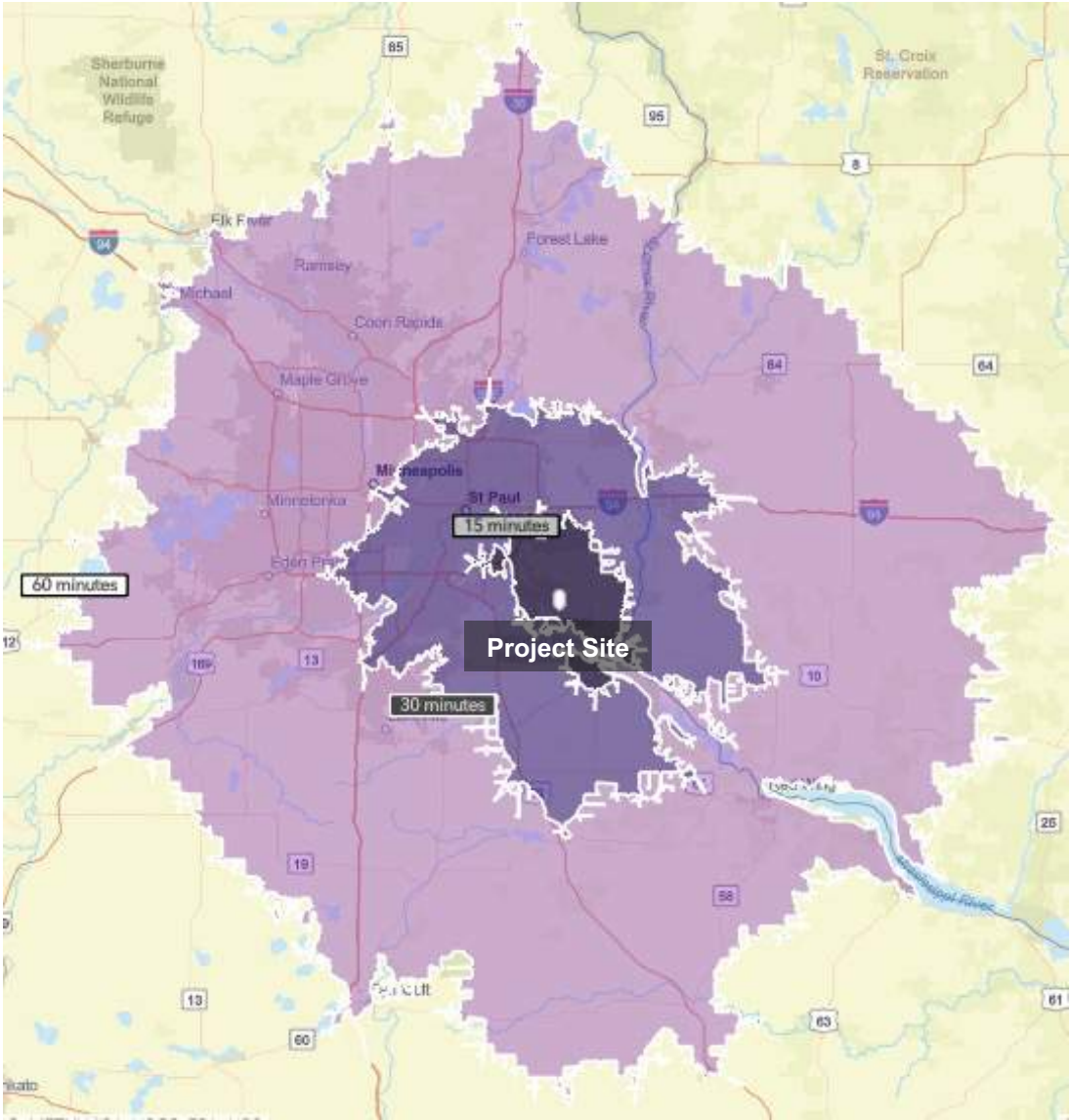


Drive-Time Statistics

An affluent drive-in market that is willing and able to spend money on entertainment increases the potential for an arena to be successful. The Project site benefits from an affluent local population, as the median income for households within a 15-minute drive is over \$100,000.

The average annual income and spend on entertainment is highest within a 15-minute drive. Although income declines when expanded beyond a 15-minute drive, it still outperforms the national average.

Estimated Drive-Time Statistics from Project Site (2023)			
	15 Minutes	30 Minutes	1-Hour
Population	152,587	1,174,452	3,487,380
Households	55,779	464,228	1,367,634
Median Household Income	\$103,046	\$81,942	\$89,331
Median Home Value	\$377,258	\$356,982	\$369,173
Median Age	37.7	37.7	38.4
Average Annual Spend on Entertainment	\$4,733	\$4,030	\$4,363
Source: ESRI			



Population & Income

The tables to the right represent population and income data from a local, regional and national perspective.

Since 2010, Cottage Grove has grown by over 20 percent, significantly outperforming the national average.

Washington County is the most affluent county in the Minneapolis metro, with a median household income of \$109,367.

Population and Growth Rates					
	Population				Percent Change
	2010	2020	2023	2028 Projected	2010 - 2023
United States	308,745,538	331,449,281	337,470,185	342,640,129	9.3%
Minnesota	5,303,925	5,706,494	5,798,827	5,898,938	9.3%
Minneapolis-St. Paul-Bloomington, MN-WI	3,333,633	3,690,261	3,771,316	3,866,869	13.1%
Washington County	238,136	267,568	279,568	290,520	17.4%
Cottage Grove	34,595	38,839	42,671	44,568	23.3%

Source: U.S. Census Bureau

Income & Housing Data (2023)					
Category	United States	Minnesota	Minneapolis-St. Paul MSA	Washington County	Cottage Grove
Homeownership rate	58.5%	66.0%	67.7%	78.8%	85.5%
Median value of owner-occupied housing units	\$308,943	\$325,848	\$365,889	\$426,416	\$363,428
Persons per household	2.53	2.46	2.52	2.64	2.96
Median household income	\$72,603	\$80,483	\$89,972	\$109,367	\$112,209
Persons below poverty level - 2021	11.6%	9.3%	-	5.2%	3.1%

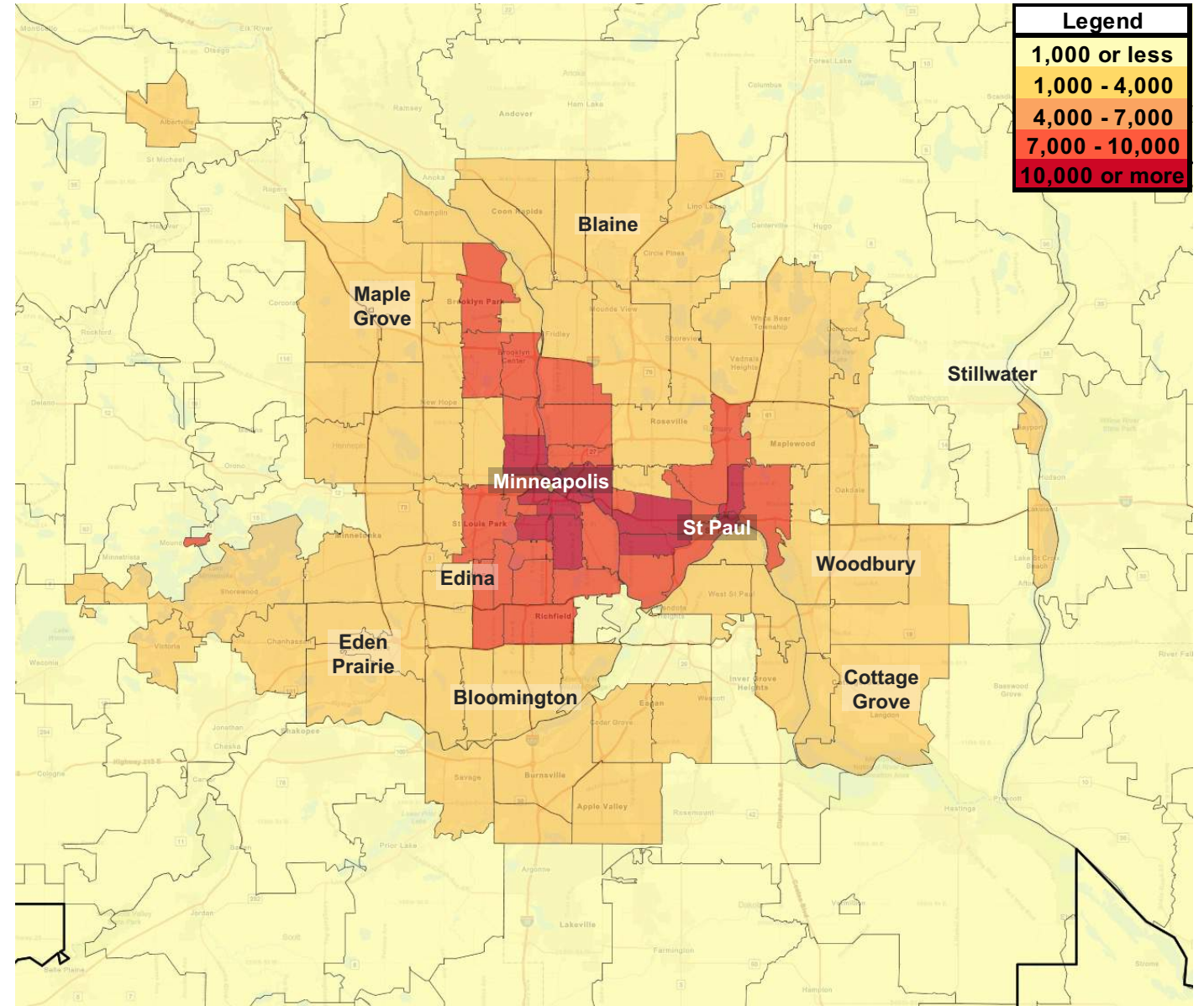
Source: ESRI, U.S. Census Bureau

Population Density

The figure to the right represents population density measured by number of people per square mile, separated by zip code.

The Minneapolis market is most densely concentrated in the central area, which primarily includes downtown Minneapolis and St. Paul. The surrounding cities mainly consist of suburban neighborhoods yet still have significant activity.

Cottage Grove has a similar population density to many other major suburban cities in the metro with 1,454 people per square mile. However, some of its surrounding areas dramatically decrease in density, with Hastings having a population density of only 194.

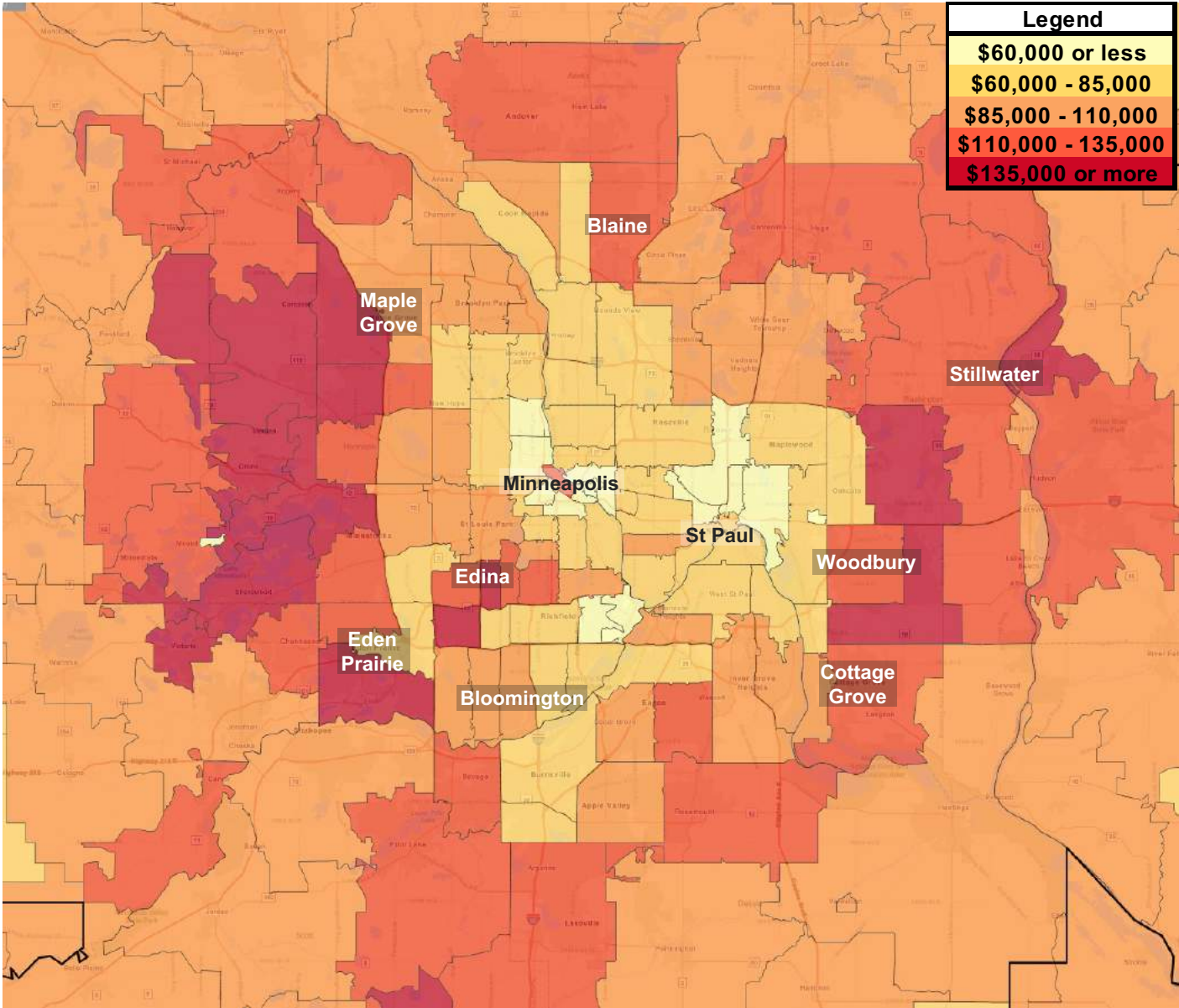


Income

The figure to the right represents median household income, separated by zip code.

The Minneapolis metro contains several cities with considerably high household incomes, primarily concentrated in less densely populated suburban outskirts of the downtown area. Contrary to downtown's strong population density, it has some of the lowest household incomes in the metro.

Arenas located in more affluent regions typically have a greater likelihood of success, primarily because their residents have greater disposable income.



Tapestry Segmentations

HSP performed a tapestry segmentation analysis which classifies neighborhoods using 67 unique segments based not only on demographics but also socioeconomic characteristics.

The top five segments for the Cottage Grove market include Workday Drive, Parks and Rec, Boomburbs, Green Acres, and Home Improvement. The top three segments are profiled in more detail on the following slides.

Understanding the segmentation profile in Cottage Grove helps to determine the potential for attracting these demographic groups to the arena.

Cottage Grove ESRI Tapestry Segmentation				
Rank	Segment	Median Age	Median Household Income	Percentage
1	Workday Drive (4A)	37.0	\$90,500	32.9%
2	Parks and Rec (5C)	40.9	\$60,000	20.3%
3	Boomburbs (1C)	34.0	\$113,400	18.3%
4	Green Acres (6A)	43.9	\$76,800	10.6%
5	Home Improvement (4B)	37.7	\$72,100	7.6%
Average/Total		38.95	\$85,175	89.7%

Source: ESRI

Tapestry Segmentations

The Workday Drive segment is the largest segment making up 33 percent of the Cottage Grove market.

This segment is an affluent, family-oriented market that resides in predominantly single-family homes within newer neighborhoods. Most households are dual-income married couples with children.

The segment carries a higher level of debt, including first and second mortgages and auto loans. These households also place a high value on the importance of saving, as they are well insured and invested in a range of funds from savings accounts or bonds to stocks.



LifeMode Group: Family Landscapes Workday Drive

4A

Households: 3,541,300

Average Household Size: 2.97

Median Age: 37.0

Median Household Income: \$90,500

WHO ARE WE?

Workday Drive is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

OUR NEIGHBORHOOD

- *Workday Drive* residents prefer the suburban periphery of metropolitan areas.
- Predominantly single family, homes are in newer neighborhoods, 34% built in the 1990s (Index 236), 31% built since 2000.
- Owner-occupied homes have high rate of mortgages at 68% (Index 164) and low rate vacancy at 4%.
- Median home value is \$257,400.
- Most households are married couples with children; average household size is 2.97.
- Most households have two or three vehicles; long travel time to work including a disproportionate number commuting from a different county (Index 132).

SOCIOECONOMIC TRAITS

- Education: 40.5% college graduates; more than 72% with some college education.
- High labor force participation rate at 71%; two out of three households include two plus workers (Index 124).
- Connected, with a host of wireless devices—anything that enables convenience, like banking, paying bills, or even shopping online.
- Well insured and invested in a range of funds, from savings accounts or bonds to stocks.
- Carry a higher level of debt, including first (Index 149) and second mortgages (Index 154) and auto loans (Index 149).



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Tapestry Segmentations

The Parks and Rec segment is the second largest segment making up 20 percent of the Cottage Grove market.

This segment is mainly comprised of dual-income married couples approaching retirement age, but they do not plan on retiring or moving homes anytime soon. Most of these households are empty-nesters or close to becoming it.

This is a financially conservative market that is careful to research any big-ticket purchases and search for discounted airline fares and hotels when planning trips. These residents also tend to use their cell phones for calls and texts only.



LifeMode Group: GenXurban

Parks and Rec

5C

Households: 2,449,600

Average Household Size: 2.51

Median Age: 40.9

Median Household Income: \$60,000

WHO ARE WE?

These suburbanites have achieved the dream of home-ownership. They have purchased homes that are within their means. Their homes are older, and townhomes and duplexes are not uncommon. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that supported their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.

OUR NEIGHBORHOOD

- Homes are primarily owner-occupied, single-family residences built prior to 1970; townhomes and duplexes are scattered through the neighborhoods.
- Both median home value and average rent are close to the national level.
- Households by type mirror the US distribution; married couples, more without children, dominate. Average household size is slightly lower at 2.51, but this market is also a bit older.

SOCIOECONOMIC TRAITS

- More than half of the population is college educated.
- Older residents draw Social Security and retirement income.
- The workforce is diverse: professionals in health care, retail trade, and education, or skilled workers in manufacturing and construction.
- This is a financially shrewd market; consumers are careful to research their big-ticket purchases.
- When planning trips, they search for discounted airline fares and hotels and choose to vacation within the US.
- These residents tend to use their cell phones for calls and texting only.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Tapestry Segmentations

The Traditional Living segment is the third largest segment making up 18 percent of the Cottage Grove market.

This is a growing market that is mainly found along suburban outskirts of large metropolitan areas. It is comprised of young families married with children.

This is an affluent segment but with a higher proportion of mortgages. It includes well-educated young professionals that are highly active in the labor force. Households place an emphasis on financial planning yet stay well-connected on the latest devices.



LifeMode Group: Affluent Estates Boomburbs

1C

Households: 2,004,400

Average Household Size: 3.25

Median Age: 34.0

Median Household Income: \$113,400

WHO ARE WE?

This is the new growth market, with a profile similar to the original: young professionals with families that have opted to trade up to the newest housing in the suburbs. The original *Boomburbs* neighborhoods began growing in the 1990s and continued through the peak of the housing boom. Most of those neighborhoods are fully developed now. This is an affluent market but with a higher proportion of mortgages. Rapid growth still distinguishes the *Boomburbs* neighborhoods, although the boom is more subdued now than it was 10 years ago. So is the housing market. Residents are well-educated professionals with a running start on prosperity.

OUR NEIGHBORHOOD

- Growth markets are in the suburban periphery of large metropolitan areas.
- Young families are married with children (Index 220); average household size is 3.25.
- Homeownership is 84% (Index 134), with the highest rate of mortgages, 71.5% (Index 173).
- Primarily single-family homes in new neighborhoods, 66% built since 2000 (Index 441).
- Median home value is \$350,000 (Index 169).
- Lower housing vacancy rate at 3.7%.
- The cost of affordable new housing comes at the expense of one of the longest commutes to work, over 30 minutes average, including a disproportionate number (33.6%) commuting across county lines (Index 141).

SOCIOECONOMIC TRAITS

- Well-educated young professionals, 55% are college graduates (Index 178).
- High labor force participation at 71.3% (Index 114); most households have more than two workers (Index 124).
- Longer commute times from the suburban growth corridors have created more home workers (Index 156).
- Well connected, own the latest devices and understand how to use them efficiently; biggest complaints—too many devices and too many intrusions on personal time.
- Financial planning is well under way for these professionals.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

03

Arena Market Evaluation



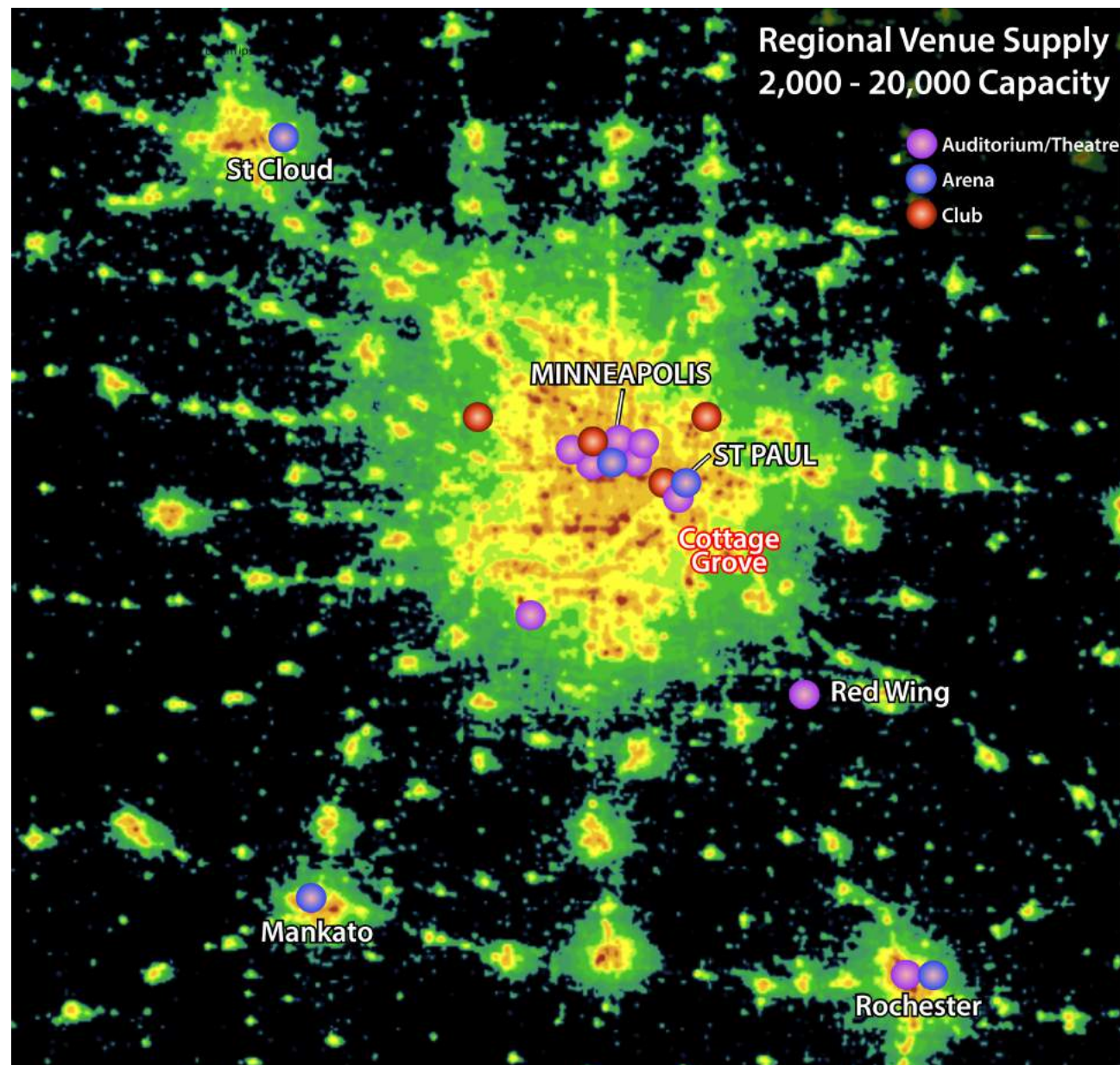
| Overview

Overview

In recent years, downtown Minneapolis has struggled with escalating crime rates and a decline in overall activity. With an increasing preference among people to spend their leisure time in suburban hotspots rather than downtown, the potential for a new suburban arena is on the rise.

A new arena development in the Minneapolis market would serve the entire metro; therefore, the venue would benefit from a location that is convenient and easily accessible for the entire metro population. Cottage Grove's far southeast location could pose challenges in attracting attendees from the opposite side of the metro, depending on the facility's primary use.

The map to the right shows a visual representation of indoor venues that are designated for concerts and special events in the regional area. Nearly every venue is located within the Minneapolis market.



National Arena Market Comparison

The table to the right shows similar-sized metropolitan areas across the United States, comparing their population to arena seats. The list is sorted based on the highest population per arena seat in the market. The arenas that were considered for this analysis have over 2,000 seats and hosted more than five events in 2022 that are relevant to event promoters. These events primarily involve professional sports and concerts/family shows.

The Minneapolis market is considered to be sufficient but not oversupplied in the number of arena seats compared to similar metropolitan areas, with 99 people per arena seat versus the average of 105. Given that the the market supply is at an appropriate level, Cottage Grove's proposed arena may struggle to compete with the other two venues due to its location in the Minneapolis market. However, if the arena can secure a tenant, it will have significantly greater potential for success.

National Arena Market Comparison (2,000+ Seats)				
Market	MSA Population	# of Competitive Arenas in Market	Total Arena Seats in Market	MSA Population per Seat
Detroit	4,391,572	1	20,000	220
Little Ceasars Arena			20,000	
Boston	5,017,305	3	42,080	119
TD Garden			19,580	
Agganis Arena			8,000	
Amica Mutual Pavillion			14,500	
Minneapolis	3,771,316	2	38,000	99
Target Center			19,500	
Xcel Energy Center			18,500	
Denver	3,062,784	3	35,950	85
Ball Arena			18,650	
Denver Coliseum			10,500	
Blue Federal Credit Union Arena			6,800	
St. Louis	2,823,156	3	37,487	75
Chaifetz Arena			10,500	
Enterprise Center			16,987	
Centene Center			3,000	
The Family Arena			10,000	
Seattle	4,152,259	4	57,800	72
Tacoma Dome			22,000	
Climate Pledge Arena			18,000	
accesso ShoWare Center			7,800	
Angel of the Winds Arena			10,000	
Pittsburgh	2,362,201	3	35,172	67
Petersen Events Center			12,500	
PPG Paints Arena			18,672	
UPMC Events Center			4,000	
Average	3,654,370	3	19,851	105

Source: Various

Regional Venue Supply

The table to the right provides an overview of all mid-sized indoor venues located within 100 miles of Cottage Grove, sorted by capacity.

Although it is helpful to understand how the supply in Minneapolis compares to other nearby markets, Minneapolis has a much larger population and often draws people from these nearby markets during major events. Therefore, these other markets pose very little competition to a venue in Minneapolis.

The Minneapolis market is mainly comprised of a number of auditoriums/theatres and clubs, suggesting very minimal opportunity for new entrants.

Legend
Auditorium/Theatre
Arena
Club

Regional Venue Supply (2,000 - 20,000 Capacity, Within 100 Miles)				
Venue	Location	Market	Distance from MSP (Miles)	Capacity
Target Center	Minneapolis	Minneapolis-St. Paul	7	19,500
Xcel Energy Center	Saint Paul	Minneapolis-St. Paul	4	18,500
Armory	Minneapolis	Minneapolis-St. Paul	4	8,504
Mayo Clinic Health Event Center	Mankato	Mankato	88	6,500
Roy Wilkins Auditorium	Saint Paul	Minneapolis-St. Paul	4	5,849
Halenbeck Hall*	St. Cloud	St. Cloud	65	5,700
Mayo Civic Center Arena	Rochester	Rochester	82	5,500
Mayo Civic Center Auditorium	Rochester	Rochester	82	3,400
Myth Live	Maplewood	Minneapolis-St. Paul	14	3,300
Treasure Island Event Center	Welch	Red Wing	41	2,793
Northrop*	Minneapolis	Minneapolis-St. Paul	5	2,687
Orpheum Theatre	Minneapolis	Minneapolis-St. Paul	7	2,621
Palace Theatre	Saint Paul	Minneapolis-St. Paul	4	2,600
State Theatre	Minneapolis	Minneapolis-St. Paul	6	2,181
Mystic Showroom	Prior Lake	Minneapolis-St. Paul	30	2,104
Orchestra Hall	Minneapolis	Minneapolis-St. Paul	7	2,089
Skyway Theatre	Minneapolis	Minneapolis-St. Paul	7	2,000
Medina Entertainment Center	Medina	Minneapolis-St. Paul	24	2,000
*University-affiliated venue				
Source: Pollstar				

Opportunity Types

Main Event Opportunities

Live entertainment such as concerts and sporting events is the most common event type for arenas. These events often provide venues with consistent activity throughout the year and are critical to an arena's success.

Concerts & Live Performances



Concerts and live performances can sometimes be the main tenant, but it is highly dependent on the venue's market. Initial tour planning is often based around priority shows held in major cities, while the remaining route is filled in broad strokes. Choosing the optimal venue is considered one of the hardest parts of booking a tour. It depends on a variety of factors with the main ones being the venue's size, location, and condition.

Sporting Events



A common strategy for arenas includes having a sports team as an anchor tenant to generate consistent and stable activity. Contrary to artists and performers that only fill the calendar for one or two dates, sports teams host several games in a season. This type of tenant can range from youth sports leagues to professional teams. As the sports market continues to expand, anchor tenant opportunities show promising potential.

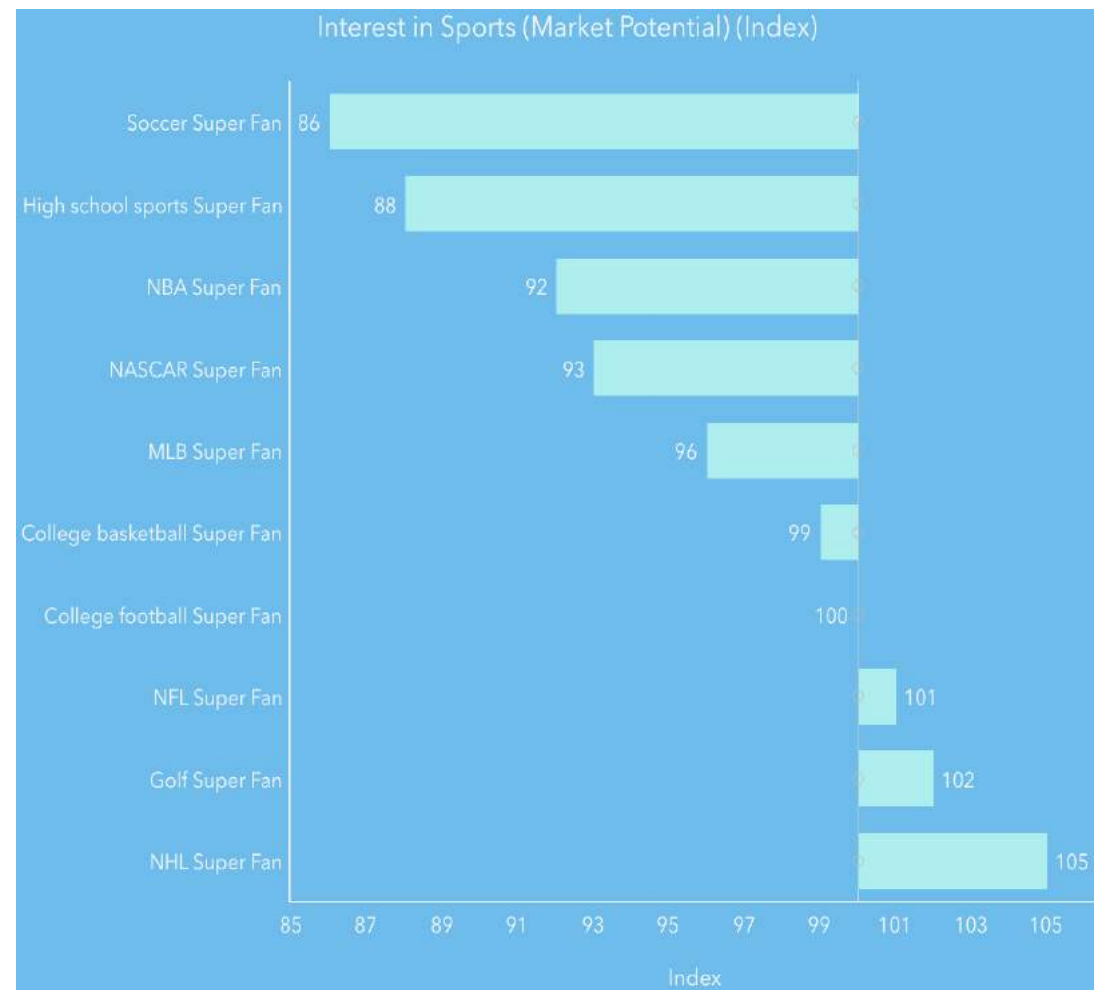
Sports Tenants

Attracting a minor league tenant often improves the viability of developing an arena in the market. The main sports tenants for arenas are basketball and hockey teams.

The figure to the right is from the ESRI database, which shows the Market Potential Index (MPI) for various sports in the Minneapolis market. Those with an MPI over 100 have higher consumer demand in the Minneapolis market compared to the national average, while those with an MPI under 100 do not. Based on the chart, hockey shows strong potential in Minneapolis, whereas basketball does not.

Basketball: The Minnesota Timberwolves have one of the lowest attendance rates in the NBA, which is 88 percent. NBA development leagues are mainly limited to only one league, the G-League. There are 30 NBA teams, 29 of which already have G-League affiliates.

Hockey: The average attendance rate for the Minnesota Wild during the 2022-23 season was 102.8 percent, the second highest rate among all NHL teams. Hockey is significantly popular in Minnesota and has a variety of development leagues that the proposed arena can leverage.



Opportunity Types

The three main opportunity types for an arena development in the Minneapolis market include concerts & family shows, youth & high school hockey, and junior & minor league hockey.

Concerts & Family Shows



Youth & High School Hockey



Minor & Junior League Hockey





Concerts & Live Entertainment

Concerts & Live Entertainment

Concerts & live entertainment are the first opportunity type for the proposed arena. From a concert and live entertainment perspective, there is no market opportunity for a new venue.

The table to the right displays venues that would be most competitive to the proposed arena when attracting promoters and performers to an event in Minneapolis, based on the types of events these venues typically host.

Of these competitive venues, three are located outside the downtown area, all of which have some of the lowest event numbers. This may suggest that event planners and promoters prefer to host events that are downtown.

Throughout conversations with promoters, it has been determined that there is virtually no unmet demand for concert venues in the market.

Competitive Venue Supply (2,000 - 20,000 Capacity)				
Venue	Location	Distance from MSP (Miles)	Capacity	# of 2022 Events
Target Center	Minneapolis	7	19,500	28
Xcel Energy Center	Saint Paul	4	18,500	70
Armory	Minneapolis	4	8,504	67
Roy Wilkins Auditorium	Saint Paul	4	5,849	0
Myth Live	Maplewood	14	3,300	12
Orpheum Theatre	Minneapolis	7	2,621	41
Palace Theatre	Saint Paul	4	2,600	63
State Theatre	Minneapolis	6	2,181	53
Mystic Showroom	Prior Lake	30	2,104	6
Skyway Theatre	Minneapolis	7	2,000	40
Medina Entertainment Center	Medina	24	2,000	6

Source: Pollstar

Xcel Energy & Target Center

The table to the right represents annual event data for the Xcel Energy Center and Target Center from 2014 to September 2023.

Xcel Energy Center's main tenant is the Minnesota Wild, which plays 41 home games during the regular season. Target Center's main tenant is the Minnesota Timberwolves and Lynx, which play a total of 61 home games during the regular season.

Xcel saw record-high activity in 2022, with a total of 70 events. It has not had nearly as many events so far in 2023, but its average attendance and ticket price have both increased significantly.

Target Center has had a notable decline in its annual events over the last decade. Promoters have expressed their preference for Xcel Energy Center, which may be a contributing factor.

Concert & Event Summary								
Year	Xcel Energy Center				Target Center			
	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price
2023	24	14,178	97%	\$117.77	18	10,568	80%	\$77.36
2022	70	13,067	83%	\$73.61	29	10,508	87%	\$78.16
2021	22	12,078	88%	\$93.22	14	8,588	89%	\$65.21
2020	5	8,964	94%	\$76.45	3	6,113	91%	\$54.04
2019	46	13,051	93%	\$85.77	24	10,757	88%	\$77.26
2018	65	13,604	84%	\$78.57	33	12,210	91%	\$60.09
2017	50	14,466	83%	\$73.16	31	10,357	78%	\$50.09
2016	48	14,269	81%	\$69.25	59	8,526	83%	\$58.82
2015	30	13,300	97%	\$83.62	49	9,501	81%	\$52.23
2014	26	12,711	95%	\$67.53	69	9,668	84%	\$54.05
Average	39	12,969	90%	\$81.90	33	9,680	85%	\$62.73

Source: Pollstar

The Armory & Myth Live

The table to the right represents annual event data for the Armory and Myth Live from 2014 to September 2023.

The Armory opened as a flat-floor concert venue in 2018. It offers several suite and table reservations for premium experiences. Through conversations with promoters, it was discovered that the majority of concerts within 3,000 – 8,000 capacity are preferred to be held at the Armory.

Myth Live, on the other hand, has seen a dramatic decline in its annual events since the pandemic. The venue has been criticized in the past for its lack of safety, especially since a shooting occurred in 2019, and was threatened last year by developers looking to replace it with apartments. Myth’s future appears relatively uncertain.

Concert & Event Summary								
Year	The Armory				Myth Live			
	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price	Number of Events	Average Capacity	% of Available Tickets Sold	Avg. Ticket Price
2023	46	5,909	89%	\$52.59	6	–	–	–
2022	67	6,034	96%	\$50.25	13	–	–	–
2021	43	5,777	88%	\$43.72	7	3,017	85%	\$40.26
2020	6	4,400	89%	\$67.36	2	–	–	–
2019	49	6,119	97%	\$49.10	28	2,569	69%	\$35.98
2018	44	4,791	92%	\$56.77	40	2,879	72%	\$32.97
2017	-	-	-	-	50	2,743	73%	\$34.22
2016	-	-	-	-	49	2,676	78%	\$29.61
2015	-	-	-	-	33	3,158	75%	\$31.37
2014	-	-	-	-	42	3,092	67%	\$29.54
Average	43	5,505	92%	\$53.30	27	2,876	74%	\$33.42

Source: Pollstar

Live Family Shows

Family shows are a small sector within the concerts & live entertainment industry. FELD Entertainment is the largest producer of family shows.



Within the Minneapolis market, family shows are often held at Xcel Energy or Target Center, including Disney on Ice. The US Bank Stadium has also hosted FELD-produced shows like Monster Jam.

Due to Xcel Energy and Target Center's limited calendar, FELD has difficulty scheduling shows. There is demand to bring more of their family productions to the Minneapolis market, but FELD has not found another venue that is suitable to host these additional shows.

Although there is market demand, the company prefers venues that can seat 12,000-15,000 people. Furthermore, FELD currently has seven total productions, which would only fill a small amount of calendar days throughout the year.



Interviews: Concerts & Live Performances

Hunden interviewed promoters at Live Nation and FELD Entertainment to understand potential opportunities for concerts and live performances. A summary of the conversation is below:

- Family shows are mainly held at Xcel Energy Center or Target Center, which the company is satisfied with. However, opportunities are limited due to the venue's tenants (Minnesota Wild and Timberwolves) filling several calendar days.
- The ideal seating capacity for FELD events is 12,000-15,000. FELD will usually look for venues with a bare minimum sellable capacity of around 3,500, but that size still makes it very difficult to host events efficiently.
- Having an ice floor at the venue is very beneficial, especially since it helps with Disney on Ice shows. Ceiling height and rigging capabilities are also important characteristics that FELD considers.
- According to FELD, there is a noticeable reluctance for families to travel downtown for shows. However, Live Nation believes that Cottage Grove's location may be too far from downtown and it could be difficult attracting concert attendees.
- From a concert-specific perspective, there is virtually no unsatisfied demand for venues in the Minneapolis market.
- Xcel Energy and Target Center already compete with each other for major events, so there is very little need for another large arena.
- The Armory is the primary landing spot for concerts ranging anywhere from 3,000-8,000, so there is really no need for a new venue of that size.



Youth & High School Hockey

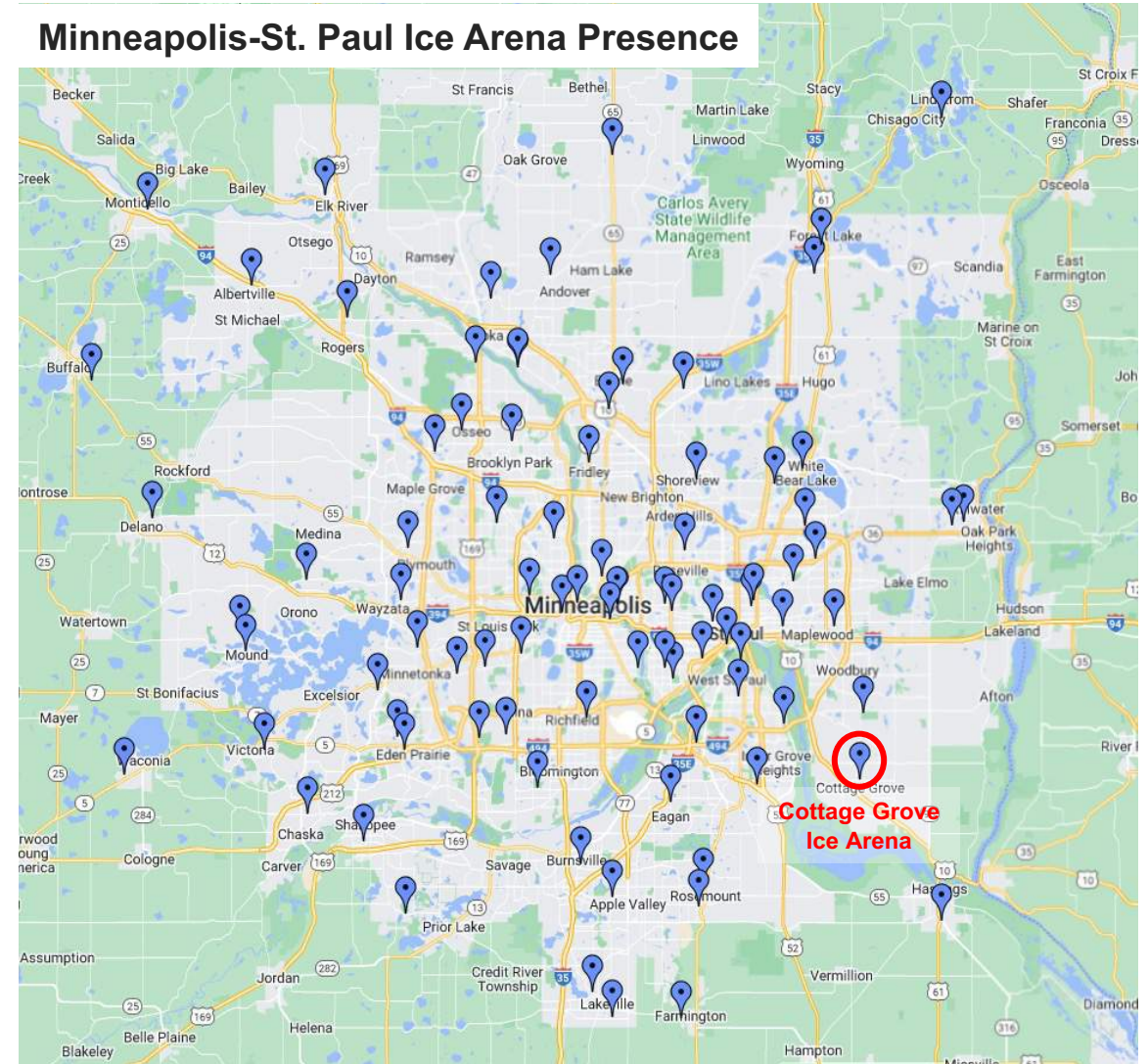
Youth & High School Hockey

Youth and high school hockey is the second opportunity type for the proposed arena. From a youth and high school hockey perspective, the market opportunity for a new venue is highly dependent on the association and/or city.

There are approximately 140 youth hockey associations and 148 high school hockey teams in Minnesota, often organized by city. Most cities have publicly-owned ice arenas that serve as practice venues for both their high school and youth teams. Each association typically hosts one youth tournament per season. Although these arenas are usually publicly-owned, associations and high school teams are still required to rent out the ice sheets for their practice sessions.

There has been a growing demand for a new ice facility with designated locker rooms to house Cottage Grove's high school teams, which are currently served by the Cottage Grove Ice Arena. A new arena development should help fill any demand gaps that the city's current arena cannot satisfy without negatively impacting its overall performance.

Minneapolis-St. Paul Ice Arena Presence



Cottage Grove Ice Arena

Owner: City of Cottage Grove

Year Built: 1974

Number of Ice Sheets: 2.5



The Cottage Grove Ice Arena currently serves five different organizations, including the Cottage Grove Figure Skating Club, Cottage Grove Hockey Association, Cottage Grove Skating School, Park High School boys and girls hockey clubs and East Ridge High School boys hockey club.

The arena has two NHL sized rinks, the North Rink and West Rink. The North Rink, pictured to the right, has a permanent seating capacity of 1,200. The West Rink is converted into a turf field from March through May. The South Rink is a smaller sheet of ice that accommodates smaller ice games and practices.



Cottage Grove Ice Arena

Current Leases

The information below outlines the current lease agreements with Cottage Grove's youth and high school hockey associations at the Cottage Grove Ice Arena. It is important that a new arena development would not interfere with the city's arena but rather help to complement it. Although there may be an opportunity for more ice sheets during prime time, which only account for a small number of hours throughout the whole year, if the new facility also diverts weekend and non-prime demand away from the city's arena, it could significantly impact its performance.

Youth Hockey

Cottage Grove Hockey Association

- Term Expiration: 2029
- Term Commitments: 2,000 hours per year at market rate

The Cottage Grove Hockey Association utilizes 95 percent of Cottage Grove Ice Arena's available prime ice time hours, which last during November through February from 5 PM to 8PM. There will always be demand for more prime ice time, but the need for ice time on weekends and non-prime hours and months is minimal.

High School Hockey

South Washington County Schools

- Term Expiration: 2029 (Park locker room agreement: 2042, non-binding)
- Term Commitments: 450 hours per year at market rate

The school district currently utilizes all 450 hours of ice time at the Cottage Grove Ice Arena but does not appear to need any additional ice time. Given that the CGHA uses the majority of prime ice time, there may be demand for prime ice time from high school teams.



Minor & Junior League Hockey

Minor & Junior League Hockey

Minor and junior league hockey is the third and final opportunity type for the proposed arena. From a minor and junior league hockey perspective, there is market opportunity for a new venue.

The average attendance rate for the Minnesota Wild during the 2022-23 season was 102.8 percent, the second highest rate among all NHL teams. The overwhelming demand that these games generate suggests notable potential for a minor or junior hockey league team.

The table to the right outlines the minor and junior hockey leagues. Due to similar skill levels, minor league hockey often competes with NHL and collegiate teams yet still achieves strong attendance.

United States Minor & Junior League Hockey Overview			
League	# of Teams	Average Attendance	# of Teams in Minnesota
Minor League Hockey Leagues			
AAA: American Hockey League (AHL)	32	5,408	0
AA: East Coast Hockey League (ECHL)	28	4,630	0
A: Southern Professional Hockey League (SPHL)	10	3,445	0
A: Federal Prospects Hockey League (FPHL)	11	2,045	0
<i>Average</i>	<i>20</i>	<i>3,882</i>	<i>0</i>
Junior Hockey Leagues			
Tier I: Ontario Hockey League (OHL)	20	3,922	0
Tier I: Western Hockey League (WHL)	22	3,893	0
Tier I: United States Hockey League (USHL)	16	2,430	0
Tier II: North American Hockey League (NAHL)	32	1,129	3
Tier III: Eastern Hockey League (EHL)	23	102	0
Tier III: North American 3 Hockey League (NA3HL)	34	320	5
<i>Average/Total</i>	<i>25</i>	<i>1,966</i>	<i>8</i>
Source: Various			

Minor vs. Junior League Project Feasibility

Minnesota is rightfully coined as the “State of Hockey” for many reasons. From a high-level perspective, minor league hockey and junior league hockey both have potential in Minneapolis, yet there are considerable differences between these two overarching leagues which may make one more suitable for Cottage Grove than the other. Based on the Project’s limited availability of funding, a junior league hockey team is more appropriate for the proposed arena.

Minor League Hockey ❌

There is currently no minor league hockey team in Minnesota. The AHL and ECHL are the top-ranked leagues, with nearly every single team having an NHL affiliate. A minor league hockey team requires exceptional management, so if it were to be managed by the Minnesota Wild, it would show promising potential. However, it also requires a significantly larger budget and venue, and may have greater competition with professional and collegiate hockey at this level.

Junior League Hockey ✅

Minnesota has several junior league teams but does not currently have a Tier I team. Furthermore, the only junior league presence in the Minneapolis market is in the Tier III USPHL league, which draws significantly less attendance. Tier I teams still achieve larger crowds and require a smaller operating budget compared to minor league teams. Given the limited funding available, a junior league hockey team is more suitable for the proposed arena.

Junior League Presence by Market

The table to the right represents the number of registered USA Hockey members per junior team in each district. Tier III was not considered due to its lower attendance that is mainly driven by players' families.

In contrast to the NHL, most junior league hockey attendees tend to have a strong affiliation with hockey. If a district has a higher member per team ratio, there is likely more opportunity to introduce a junior league hockey team.

With the introduction of a USHL team, Minnesota would have an average of 18,014 members per team, which is still the ninth highest ratio of all twelve districts.

Number of Junior Teams per USA Hockey District						
USA Hockey District	Member Registration	# of OHL Teams	# of WHL Teams	# of USHL Teams	# of NAHL Teams	Members per Team
Northern Plains	22,114	0	0	2	3	4,423
Central	77,854	0	0	11	5	4,866
Pacific	64,919	0	6	0	3	7,213
Rocky Mountains	61,869	0	0	0	8	7,734
Michigan	43,539	2	0	2	0	10,885
New England	37,880	0	0	0	3	12,627
Atlantic	41,453	0	0	0	3	13,818
Mid-American	47,483	1	0	1	1	15,828
Minnesota	72,054	0	0	1*	3	18,014
New York	53,059	0	0	0	1	53,059
Massachusetts	54,006	0	0	0	1	54,006
Southeastern	69,745	0	0	0	1	69,745
Average	56,715	0	1	1	3	22,685

Source: USA Hockey

USHL

The USHL is the country’s top-tier junior league. The league has 16 teams that are primarily located in the Midwest; however, there is currently no USHL presence in Minnesota. As Cottage Grove and its surrounding cities continue to grow, a USHL hockey team continues to show promising potential.

USHL Overview							
Team	Location	Arena	Ice Sheets	Stadium Capacity	2019		2023*
					Average Attendance	Average Occupancy	Average Attendance
Sioux Falls Stampede	Sioux Falls, SD	PREMIER Center	1	12,000	5,692	47%	5,213
Fargo Force	Fargo, ND	Scheels Arena	1	5,000	3,429	69%	4,129
Green Bay Gamblers	Ashwaubenon, WI	Resch Center	1	10,200	3,135	31%	3,241
Omaha Lancers	Ralston, NE	Liberty First Credit Union Arena	1	4,200	2,882	69%	3,129
Waterloo BlackHawks	Waterloo, IA	Young Arena	1	3,000	2,566	86%	–
Lincoln Stars	Lincoln, NE	Ice Box	1	3,500	2,563	73%	2,070
Des Moines Buccaneers	Des Moines, IA	Buccaneer Arena	1	3,461	2,256	65%	1,231
Muskegon Lumberjacks	Muskegon, MI	Trinity Health Arena	1	3,000	2,206	74%	1,817
Sioux City Musketeers	Sioux, IA	Tyson Events Center	1	10,000	2,142	21%	1,409
Tri-City Storm	Keamey, NE	Viaero Center	1	5,000	2,128	43%	1,032
Cedar Rapids RoughRiders	Cedar Rapids, IA	ImON Ice	1	3,850	2,057	53%	1,695
Dubuque Fighting Saints	Dubuque, IA	Dubuque Ice Arena	1	3,200	2,020	63%	2,252
Madison Capitols	Middleton, WI	Capitol Ice Arena	2	2,611	1,879	72%	2,291
Youngstown Phantoms	Youngstown, OH	Covelli Centre	1	5,717	1,533	27%	1,235
USA Hockey NTDP	Plymouth, MI	USA Hockey Arena	2	3,504	1,132	32%	1,049
Chicago Steel	Geneva, IL	Fox Valley Ice Arena	2	3,500	1,130	32%	1,117
Average				5,109	2,422	54%	2,194
*Through three regular season games							
Source: LeagueStat							



Interview: Hockey

Hunden interviewed several people with strong hockey knowledge in the Minneapolis market to understand potential opportunities for minor and junior league and high school hockey. A summary of the conversations is below:

- There is certainly both minor and junior league potential in the Minneapolis area. There is a large market for it and plenty of people would possess an interest.
- The operating budget for an ECHL team is around \$4-5 million, while a USHL team is around \$2 million.
- If the proposed arena brought a minor or junior tenant, it would be ideal if the Minnesota Wild could manage the facility.
- The USHL would likely respond very well to a new team in Minnesota. NAHL could also have some potential in the Minneapolis market.
- The City of Cottage Grove needs another facility for their high school teams, especially a facility with dedicated locker space.
- The main competitors to a minor league hockey team would be NHL and collegiate teams.
- A team that is located in the southeastern suburbs would mainly draw people from the local area such as Woodbury, Cottage Grove, and Eagan.
- The St. Paul Saints, the Twins' minor league affiliate, have done a great job at attracting attendees. Offering other entertaining elements to these games, such as unique food and beverage options, would likely attract more visitors to these games.

Implications

Implications

An arena most often needs to be supported by several event types, such as concerts and sporting events, to be financially feasible. A new arena development with optimal location and funding in the Minneapolis market has moderate opportunity. Given Cottage Grove's far southeast location in the market and its lack of funding, there is no professional arena opportunity.



Concerts and Family Shows

There is no unmet market demand for concert venues. Without the ability to host several concerts and family shows throughout the year, the proposed arena has limited potential to be viable.

Youth & High School Hockey

The only time that the arena can potentially host practices and events without impacting performance at the Cottage Grove Ice Arena is during prime ice time, which is not sufficient enough for the proposed arena to be financially feasible on its own.

Minor & Junior League Hockey

There is market opportunity for both minor and junior league hockey, but junior league hockey would be a more financially viable option for the Project due to its lower operating budget and capacity requirements.



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The firm and its principal have performed more than 1,000 studies over the past 25 years, with more than \$20 billion in built, successful projects or projects underway.



To: President Bailey and Members of the Economic Development Authority
Jennifer Levitt, EDA Executive Director

From: Gretchen Larson, Economic Development Director
Brenda Malinowski, Finance Director

Date: December 12, 2023

Subject: Housing and Redevelopment Authority (HRA) Levy

Background

The Economic Development Authority (EDA) is a legal entity that was created by the City of Cottage Grove to facilitate a well-rounded program for business assistance and development projects. In addition, the City granted the EDA with Housing and Redevelopment Authority (HRA) powers in the by-laws when the EDA was established. Due to the structure of the EDA, property tax levies can be approved for both EDA and HRA activities.

EDA property tax levies can be used for economic or redevelopment activity. Currently, City Council approves an EDA property tax levy as part of the approval for the city's property tax levy. For 2024, the amount is \$250,000.

In addition to the EDA property tax levy, a separate tax levy to be used for housing and redevelopment activities. These levies are known as HRA levies. HRA levies cannot be used for economic activity. HRA levies can be used for the following:

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

An HRA levy is subject to an .0185% estimated market value limit or approximately \$1.1 million based on the 2024 estimated market value for 2024.

During the creation of a ten-year Financial Management Plan in 2023, City Council discussed the need to fund housing and redevelopment activities, and the HRA levy was identified as a source of revenue for these activities.

Stacie Kvilvang from Ehlers will present more information regarding HRA levies and the process for adopting an HRA levy.



To: President Bailey and Members of the Economic Development Authority
Jennifer Levitt, EDA Executive Director

From: Gretchen Larson, Economic Development Director
Brenda Malinowski, Finance Director

Date: December 7, 2023

Subject: 2024 Meeting Calendar of the Economic Development Authority (EDA)

Background

On August 16 the City Council considered and approved a resolution to authorize consent of a property tax levy pursuant to state statutes (see attached resolution). As a part of the process, the EDA is authorized to exercise all powers and duties of a Housing and Redevelopment Authority. Following City Council approval of the Resolution, certain actions must be taken by specific deadlines in order for the EDA to adopt the HRA Levy which includes the following:

EDA adopts the Preliminary Levy. Before September 30, 2024. The EDA should hold a meeting to do the following:

1. Adopt the proposed levy.
2. Announce the time and place of the public hearing at which the final levy will be adopted.

The EDA Adopts Final Levy on December 3, 2024 at 6:00 p.m. The EDA is required to announce the time and place of a public hearing at which the public is allowed to speak. There are some requirements regarding this public hearing:

1. The public hearing must be held between November 24th and December 25th.
2. The public hearing must be held at a regularly scheduled meeting.
3. The public hearing must be held after 6:00 p.m.

Attached is the official published calendar of the EDA. The calendar shows the meeting date of December 3, 2024 at 6:00 p.m. as a regular meeting date of the economic development authority as required by law.

Recommendation

Adopt the calendar as presented.

Attachments

2024 EDA Official Calendar
HRA Levy Resolution



2024 Economic Development Authority Calendar

January 2024						
S	M	T	W	R	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2024						
S	M	T	W	R	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

March 2024						
S	M	T	W	R	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April 2024						
S	M	T	W	R	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May 2024						
S	M	T	W	R	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June 2024						
S	M	T	W	R	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July 2024						
S	M	T	W	R	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August 2024						
S	M	T	W	R	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2024						
S	M	T	W	R	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 2024						
S	M	T	W	R	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November 2024						
S	M	T	W	R	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 2024						
S	M	T	W	R	F	S
1	2	3		5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

 7:30 a.m. Meeting
 6:00 p.m. Meeting

CITY OF COTTAGE GROVE, MINNESOTA
COTTAGE GROVE CITY COUNCIL
RESOLUTION 2023-110

**A RESOLUTION AUTHORIZING CONSENT OF A PROPERTY TAX LEVY
PURSUANT TO MINNESOTA STATUTES, SECTION 469.033, SUBDIVISION 6**

WHEREAS, pursuant to Minnesota Statutes, Chapter 469, as amended, the City Council of the City of Cottage Grove, Minnesota ("City") created the City of Cottage Grove Economic Development Authority ("EDA"); and

WHEREAS, the EDA is authorized to exercise all powers and duties of a Housing and Redevelopment Authority under the provisions of Minnesota Statutes, Sections 469.001 to 469.047; and

WHEREAS, pursuant to Minnesota Statutes, Section 469.033, subdivision 6, subject to a consent resolution of the governing body of the City in and for which the EDA was created, the EDA may levy a tax upon the estimated market value of all taxable real property within the City, to finance the EDA's economic development and redevelopment activities; and

WHEREAS, pursuant to Minnesota Statutes, Section 469.033, subdivision 6, the amount of the EDA levy shall be an amount approved by the governing body of the City, but shall not exceed 0.0185 percent of the estimated market value of taxable property within the City; and

WHEREAS, the EDA desires to levy a special benefit tax in the amount of up to 0.0185 percent of the taxable market value in the City; and

WHEREAS, upon consent of the levy by the City Council, the EDA shall take all necessary actions to adopt and certify the levy in 2024 in order to receive the levy proceeds for fiscal year 2025.

NOW, THEREFORE, BE IT RESOLVED, by the City of Cottage Grove City Council as follows:

1. The City Council hereby consents to the EDA levying a special benefit tax to be collected in 2025 in the amount of up to 0.0185 percent of the taxable market value of all taxable property within the City.
2. The EDA is hereby authorized and directed to take such other actions as are necessary to adopt and certify such levy.

Passed and Approved this 16th day of August, 2023.

Attest:

Myron Bailey, President

Tamara Anderson, City Clerk



TO: President Bailey and Members of the Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Gretchen Larson, Economic Development Director

DATE: December 7, 2023

RE: Professional Services Agreement – Dowdle Art Project

Discussion

In October, the Dowdle marketing team reached out to invite the City of Cottage Grove to join Dowdle Studios in the "Land That I Love" tour for America's 250th birthday starting in 2026. Eric Dowdle is partnering with a handful of communities in each state during his tour to tell the unique story and rich history of each community.

The Dowdle Studios team is passionate about capturing the essence and stories of cities and places worldwide through the captivating medium of folk-art style painting. Led by renowned artist Eric Dowdle, their mission is to transport viewers and art enthusiasts into the heart of each location, offering a deeper understanding of the community's history, culture, and people.

The team's creative process has been documented in the popular series "Painting the Town with Eric Dowdle," available for streaming on Amazon Prime Videos and now rebranded as "The Piece Maker" which has recently been picked up by the Magnolia Network and is currently premiering on Discovery+ and HBO Max.

Recognizing the potential economic development and marketing/tourism promotional impacts of such an endeavor, we hosted a virtual meeting with team Dowdle, that included Mayor Bailey and CVB Chairman Olsen. After the meeting it was determined that work on an agreement should continue to move forward.

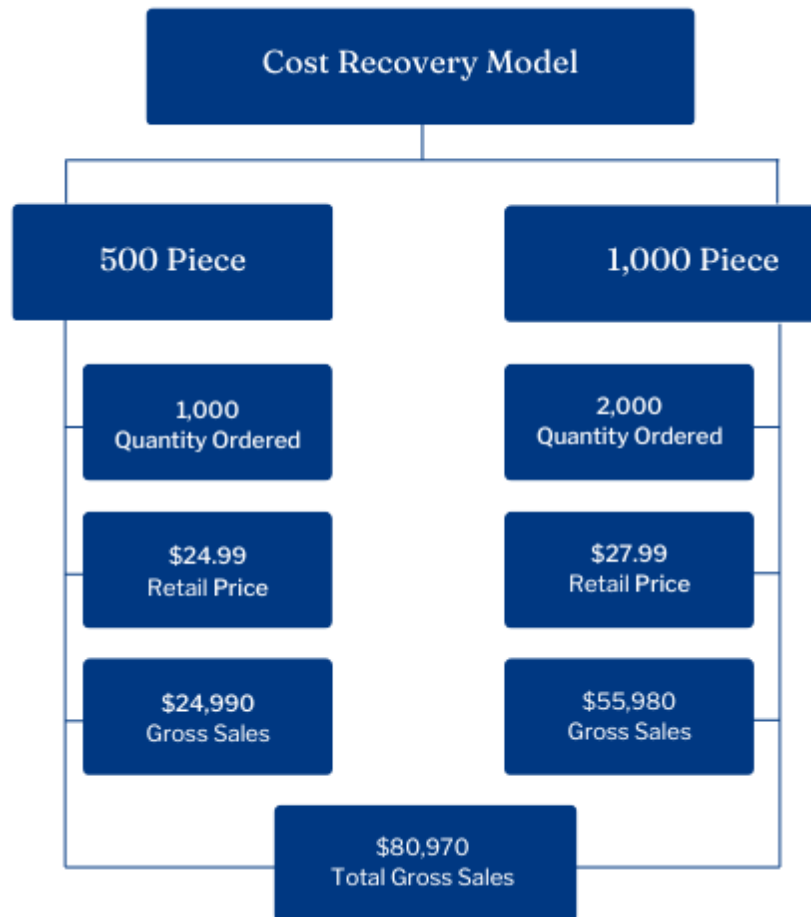
The project has two major components, an original 32" x 40" painting by Artist Eric Dowdle. The cost for the painting and unveiling event is \$75,000. The Artist will receive the \$75K fees in 3 payments as follows: EDA shall pay Artist \$25,000 within five (5) days after the Effective Date of the agreement; \$25,000 upon receipt of Concept Art, **March 15th, 2024**; and the balance of \$25,000 due no later than five (5) days after delivery of Original Art, Canvas Giclee Framed Puzzle, and the Unveiling Day event which will be **June 13, 2024**.

NOTE: the city will be responsible for the costs of the unveiling event. The event will be held at the River Oaks Golf Club and Event Center. At the unveiling event the people, places, and events represented in the original painting will be asked to participate in putting together a Canvas Giclee Framed Puzzle. This is how the "story" of the painting is told to those at the unveiling event and what it reflects about the community.

In addition to the painting, we are recommending the purchase of 3,000 puzzles (at wholesale cost \$12.50 ea. X 3,000 = \$37,500). The puzzles would be delivered the day of the unveiling. We anticipate selling the puzzles at events and festivals as a potential cost recovery of the majority of the project, with 100% of the retail sales of the puzzles being retained by the city (see matrix

below). The puzzles would be sold at Strawberry Fest, the Food Truck Festival, Hometown Holiday and any events that the City or Discover Cottage Grove staff may attend throughout 2024. Payment for the puzzles will be in two installments as follows: EDA agrees to pay Artist \$18,750 on **April 1st, 2024**, which is ½ of the purchase price for the jigsaw puzzles with the balance of \$18,750 due five (5) days after delivery of puzzles to EDA on the unveiling day of **June 13, 2024**.

Staff also notes that the city will receive a perpetual license for the use of the images of our painting for promotional and marketing purposes. Total costs for the project of \$112,500, excluding the unveiling event, are available in the ED trust fund.



The attached agreement has been approved by the City Attorney subject to a few minor modifications related to Exhibit B, the must have and nice to have items to be included in the painting.

Recommendation

Approve the attached agreement with Dowdle Art subject to minor modifications related to Exhibit B, the must have and nice to have items to be included in the painting in the amount of \$112,500.

Attachments

Professional Services Agreement
Dowdle Marketing Slide Deck

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the “Agreement”) is entered into on this ____ day of December, 2023 (“Effective Date”), by and between the Cottage Grove Economic Development Authority (“EDA”), 12800 Ravine Parkway South, Cottage Grove MN 55016 and Dowdle Studios, LLC, 1280 West 200 South, Lindon, UT 84042 (“Artist”), each a “Party” and collectively, the “Parties.”

WHEREAS, EDA desires the professional services of Artist to design and create a commissioned 32 X 40 (size) acrylic painting; and

WHEREAS, Artist has experience as an Artist for professional services such as that desired by EDA; and

WHEREAS, EDA is selecting Artist to provide these professional services, and create an original work of folk art along with all the attendant licenses, rights, duties and associated with the work of folk art;

Therefore, in consideration of mutual covenants and promises of EDA and Artist set forth in this Agreement, it is agreed as follows:

1. Scope of Services

- a. Commencement of Services: Artist shall commence the professional services herein immediately upon the Effective Date.
- b. Original Artwork Design, Creation and Ownership. Artist shall design and paint a commissioned 32” X 40” (size) acrylic painting (the “Original Art”) for EDA. Artist shall make a good faith effort to include the items from EDA’s “must-haves” list, which is attached hereto as Exhibit B, incorporated herein by reference, in the design of the Original Art. As part of designing the Original Art, Artist shall come to the City of Cottage Grove to do research for the Art, including taking pictures. Upon completion, delivery and payment, EDA shall be the owner of the Original Art with all rights, title and interest therein with an understanding of Artist’s ownership and additional use rights to the actual Art provided for in paragraph 1(f) of this Agreement. The parties acknowledge that the Artist will retain ownership of all Art created for and on behalf of EDA under this Agreement, with the exception of Original Art. As part of this Agreement, Artist also agrees that Artist will not commission another City of Cottage Grove-related original art image or concept with any other person or party who is not party to this Agreement.

- c. Product Orders. In addition to the Art, Artist shall, as requested by EDA, supply to EDA framed artwork, puzzles, wooden puzzles, or other products (“Other Products”) created by Artist depicting the Original Art at Artist’s wholesale cost set forth in Exhibit A.
- d. Number of Puzzles. As a term of this Agreement, EDA agrees to purchase a minimum of three thousand (3,000) puzzles depicting the Original Art at the wholesale price listed on Exhibit A. EDA may also purchase Other Products at wholesale pricing at any given time before the expiration of EDA’s exclusive right to market and sell the Art as outlined in Section (g) below.
- e. EDA’s Right to Sell Products at Retail. EDA may sell any products it purchases from Artist to any third party at retail at any price as determined by EDA.
- f. Copyright, Reproduction and Distribution Rights. Artist shall retain all copyright, reproduction, and distribution rights to the Art not otherwise transferred to EDA upon completion, delivery, and payment of the Original Art. In the event that Artist chooses to use the art image created in the Original Art (“Art Image”) for any promotional or marketing purposes unrelated to art sales in general that benefit the Artist, then Artist agrees to first obtain permission from EDA prior to using the Art Image for such promotional or marketing purposes. Failure to respond to a request for permission from Artist within ten (10) business days, shall be deemed a waiver.
- g. Perpetual License. EDA shall have a perpetual and irrevocable license to use images of the Original Art and Other Products to market and advertise retail products noted on Exhibit A and to market City of Cottage Grove events. This license shall benefit EDA and survive the term of this Agreement. In the event EDA uses the Art Image for additional events or production, the parties agree that Artist will be allowed to verify the print screen prior to any use, in order to ensure the quality and color of the image represents the Original Art work. Artist will have ten (10) calendar days to approve any print screen. Days will be calculated from the date EDA sends Artist the image for review via email. Failure to respond to a request for approval shall be deemed a waiver.
- h. Exclusive Rights to Sell and Market the Art. Beginning on the Unveiling Day, or the date that Art and Other Products are available for sale, whichever occurs later, EDA shall have exclusive marketing and sales rights to the Art and Other Products for a period of twelve (12) months. During this 12-month period, all proceeds of the sales of Art and Other Products that may be sold by Artist, if any, shall be remitted to EDA.

- i. Design and Concept Art Process. Artist shall provide to EDA all drawings that are necessary to describe and show Art by no later than **March 15, 2024** (“Concept Art”). EDA may then provide feedback to Artist on said drawing to the extent the drawings do not include the “must-have” items listed in Exhibit B, and Artist shall modify the design of Art to comply with Exhibit B. If at the time the Artist modifies the drawings to include the items in Exhibit B and EDA is still not satisfied with the proposed Art, EDA shall have the right to request one additional modification session. Artist will use reasonable means to accommodate EDA’s modification requests. Artist will meet with EDA representatives for review and approval of the progress of Art at mutually agreeable times either in person or virtually. In the event that EDA requests additional changes to the Concept Art after two modification sessions, then EDA agrees to pay Artist on an hourly basis at a rate of \$300 per hour for the additional time associated with Artist’s efforts around additional modification requests prior to painting.
 - 1) Limitation on Unique People Requests. The parties agree that the Original Art can include up to twenty (20) unique individual people in the painting. In the event EDA requests more than twenty (20) unique individual people in the painting, then EDA agrees to pay Artist Two Hundred Dollars (\$200.00) per additional unique person painted into the Original Art.
 - 2) Depiction of Business. The parties acknowledge and agree that EDA may reach out to local businesses to contribute to the Art in exchange for a donation. Artist will use reasonable efforts to follow EDA’s Must-Have List instructions when designing Concept Art inclusive of all the businesses who donate to the professional services contemplated in this Agreement, subject to available space in the Original Art itself.
 - j. Delivery of the Art. Artist shall deliver the completed Original Art and any Other Products (as long as the Other Products were ordered by April 1, 2024), to EDA no later than **June 13, 2024**, (“Unveiling Day”) unless otherwise agreed to by the parties in writing.
2. **Payment:** The parties acknowledge that the total minimum payment under this Agreement will be One Hundred Twelve Thousand Five Hundred Dollars (\$112,500). This payment will cover (i) the Original Art ; (ii) one 32” x 40” or larger Canvas Giclee Framed Puzzle of the Original Art Image used for the unveiling presentation on the Unveiling Day; (iii) the Unveiling Day itself including speakers provided by Artist and (iv) 3,000 jigsaw puzzles.

EDA will pay Artist for the professional services as follows:

- a. Original Art: EDA shall pay Artist Twenty-Five Thousand Dollars (\$25,000) Dollars within five (5) days after the Effective Date; Twenty-Five Thousand Dollars (\$25,000) upon receipt of Concept Art; and the balance of Twenty-Five Thousand Dollars (\$25,000) due no later than five (5) days after delivery of Original Art, Canvas Giclee Framed Puzzle and the Unveiling Day. If additional hourly services are required pursuant to Section 1 (i), then Artist shall prepare an itemized invoice to EDA for such additional services, which will be paid within 30 days of its receipt.
 - b. Other Products: EDA agrees to pay Artist Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) on **April 1st, 2024**, which is. ½ of the purchase price for the jigsaw puzzles and Other Products at the prices listed on Exhibit A that the EDA has agreed to purchase under Section 1(d), with the balance of Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) due no later than five (5) days after delivery of puzzles to EDA on or after the unveiling day.
 - c. Optional Upgraded Wall (“Wall”): For the Unveiling Day, EDA may add an eight foot by ten foot (8’ x 10’) Wall depicting the Art Image as part of the Unveiling Day, which will then be owned by EDA and may be installed somewhere in the community by EDA. The cost for this additional Wall is listed on Exhibit A. In the event that EDA decides to include a Wall in the Unveiling Day, then EDA shall order the Wall no later than **March 15, 2024** and pay to Artist half of the price of the Wall in the amount of Ten Thousand Dollars (\$10,000) at the time the order is placed and another Ten Thousand Dollars (\$10,000) within five days of delivery of the Wall on the Unveiling day.
3. **Availability of Funds.** Each payment obligation of EDA is conditioned upon the availability of government funds which are appropriated or allocated for the payment of this obligation. If funds are not allocated and available for the continuance of the services performed or goods provided by Artist, the Agreement may be terminated by Artist at the end of the period for which the funds are available due and owing. EDA shall notify Artist at the earliest possible time of the services which will or may be affected by a shortage of funds. No penalty shall accrue to EDA in the event this provision is exercised, and EDA shall not be obligated or liable for any future payments due or for any damages as a result of termination under this section. This provision shall not be construed to permit EDA to terminate this Agreement to acquire similar services or goods from another party and if done so, then Artist shall have all legal remedies available to Artist pursuant to applicable law. The parties also agree that EDA’s failure to pay under this Agreement shall be deemed a default of the Agreement. Any

default by EDA under this Agreement shall terminate any and all licenses described herein. All fees paid to Artist at any point in the process shall be non-refundable.

4. **Default for Non-Performance.** In the event that Artist has received fees from EDA and is unable to complete the terms of this Agreement regarding delivering Concept Art within a reasonable time of the stated deadline, or delivering the Original Art and any puzzles agreed to under this Agreement, then the parties agree to terminate this Agreement and Artist would then return any fees already paid by EDA, in addition to other remedies below. Under this Section, the parties acknowledge that if Artist returns fees to EDA due to non-performance, EDA would not have any claim to the Art itself, the art license described herein, any puzzles or any other good or service promised by Artist under this Agreement on account of termination of the Agreement for non-performance by Artist.
5. **Default for Failure to meet Unveiling Day Deadline.** Recognizing that the Unveiling Day is scheduled in conjunction with the City of Cottage Grove's Annual Strawberry Fest, which involves advertising and promotion months in advance, if Artist is unable to deliver the Original Art and other products by the Unveiling Day, other than due to an Act of God or acts of delay by EDA, then, at the option of the EDA, delivery of all Art and the Unveiling Day would occur on a date to be determined by EDA in June 2025 to coincide with Strawberry Fest 2025 and final payment due to Artist will be reduced by Fifteen Thousand Dollars (\$15,000) as liquidated damages. If Artist is able to deliver the Original Art and other products by the Unveiling Day but is unable to attend the Unveiling Day, then the fee will be reduced by \$10,000.
6. **Representations and Miscellaneous Provisions:** It is further agreed that:
 - a. **Independent Contractor Status.** Artist shall at all times be deemed to be an independent contractor with respect to EDA and its performance of professional services hereunder. Artist shall not be an appointed EDA officer or agent and shall not have authority to execute documents or take action with the legal force and effect as if those actions were taken by EDA.
 - b. Artist shall be liable for and be responsible on its own for payment of each of the following:
 - 1) Federal, State or Local taxes;
 - 2) Workers' compensation and all other insurance necessary for Artist and all employee and agents of Artist performing work or services for purposes of this Agreement.

- 3) As of the date of this Agreement, the Artist shall be insured against the normal risks of the services contemplated in this Agreement and shall carry a professional liability policy naming EDA as a named insured in the amount of not less than \$150,000 general aggregate.
- c. Geographic Sales Restriction. Artist agrees that in consideration for EDA's decision to enter into this Agreement and purchase the services and products described herein, that Artist will not approach or sell to any community within a ten-mile distance of the City of Cottage Grove (except St. Paul, MN), as depicted on the map on Exhibit C, attached hereto and incorporated herein.
- d. Indemnification. Artist agrees to indemnify and hold harmless the EDA and its trustees, officers, employees, agents and affiliates from and against all taxes, losses, damages, liabilities, fees, judgments, costs and expenses, including attorney's fees and other legal expenses, arising directly or indirectly from or in connection with Artist breaching this Agreement or from Artist's intentional misconduct that harms EDA as that conduct pertains to the Art itself. Artist shall also indemnify EDA against any third party claims to the Art performed by Artist. Cottage Grove agrees to indemnify and hold harmless Artist against all damages, liabilities, fees, judgments, costs and expenses, including attorney's fees and other legal expenses arising directly or indirectly from or in connection with EDA's use of any public funds associated with this project.
- e. Choice of Law. The construction, interpretation, and enforcement of this Agreement shall be governed by the laws of the State of Minnesota. The Courts of the State of Minnesota shall have jurisdiction over this Agreement and the parties, and the venue shall be the Eighth Judicial District, Minnesota.
- f. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior written and oral agreements between the parties regarding the subject matter of this Agreement. No waiver, alteration or modification of any provision of this Agreement will be binding unless in writing and signed by a duly authorized representative of each of EDA and Artist. Only another writing signed by both Parties and their duly authorized representatives may modify this Agreement.
- g. Severability. If any provision of this Agreement is found to be illegal or unenforceable, the other provisions shall remain effective and enforceable to the greatest extent permitted by law.

- h. No other Rights of Use. Nothing in this Agreement establishes in Artist any right or interest in EDA or City of Cottage Grove names or marks. Artist agrees not to use, attempt to use, or assert ownership or any interest in any EDA intellectual property, including any name or mark.
- i. Notices. All notices herein provided to be given, or which may be given, shall be deemed to have been fully given when made in writing and deposited in the US mail, sent certified, prepaid and addressed as follows:

To City: Cottage Grove EDA
 Attn: Executive Director
 12800 Ravine Parkway South
 Cottage Grove, MN 55016

To Artist: Eric Dowdle
 Dowdle Studios, LLC
 1280 West 200 South
 Lindon, UT 84042

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives effective as of the last date the Agreement is signed below.

Cottage Grove Economic Development Authority

By: _____
Myron Bailey, President

By: _____
Jennifer Levitt, Executive Director

Dowdle Studios, LLC

By: _____
Eric Dowdle

Its: _____

EXHIBIT A

Art Product Pricing Menu

Original Art (32" x 40"), Giclee framed puzzle, Unveiling Day	\$75,000
2,000 puzzles – 500 pieces	\$12.50/each
1,000 puzzles – 1,000 piece	

Optional Purchases

8' x 10' Wall (\$150/sq. ft. additional)	\$20,000.00
--	-------------

	Jigsaw Puzzles (100, 500, 1000 pieces)		\$12.50/ea
☐	Framed Giclee Canvas Print Orders over 20 qty. / 50% discount	11"x14"	99.00
☐		16"x20"	170.00
☐		18"x24"	225.00
☐		22"x28"	329.00
☐		32"x40"	716.00
☐		40"x50"	895.00
☐	Stratascapes	5"x7"	250.00
☐		8"x11"	400.00
☐		13"x16"	600.00
☐	Wooden Puzzles – Classic (Lasercut)	300 pc	120.00
☐		500 pc	140.00

Final Purchase Price Total:

\$112,500.00

Optional 8' x 10' Wall Add on

\$20,000.00*

Exhibit B

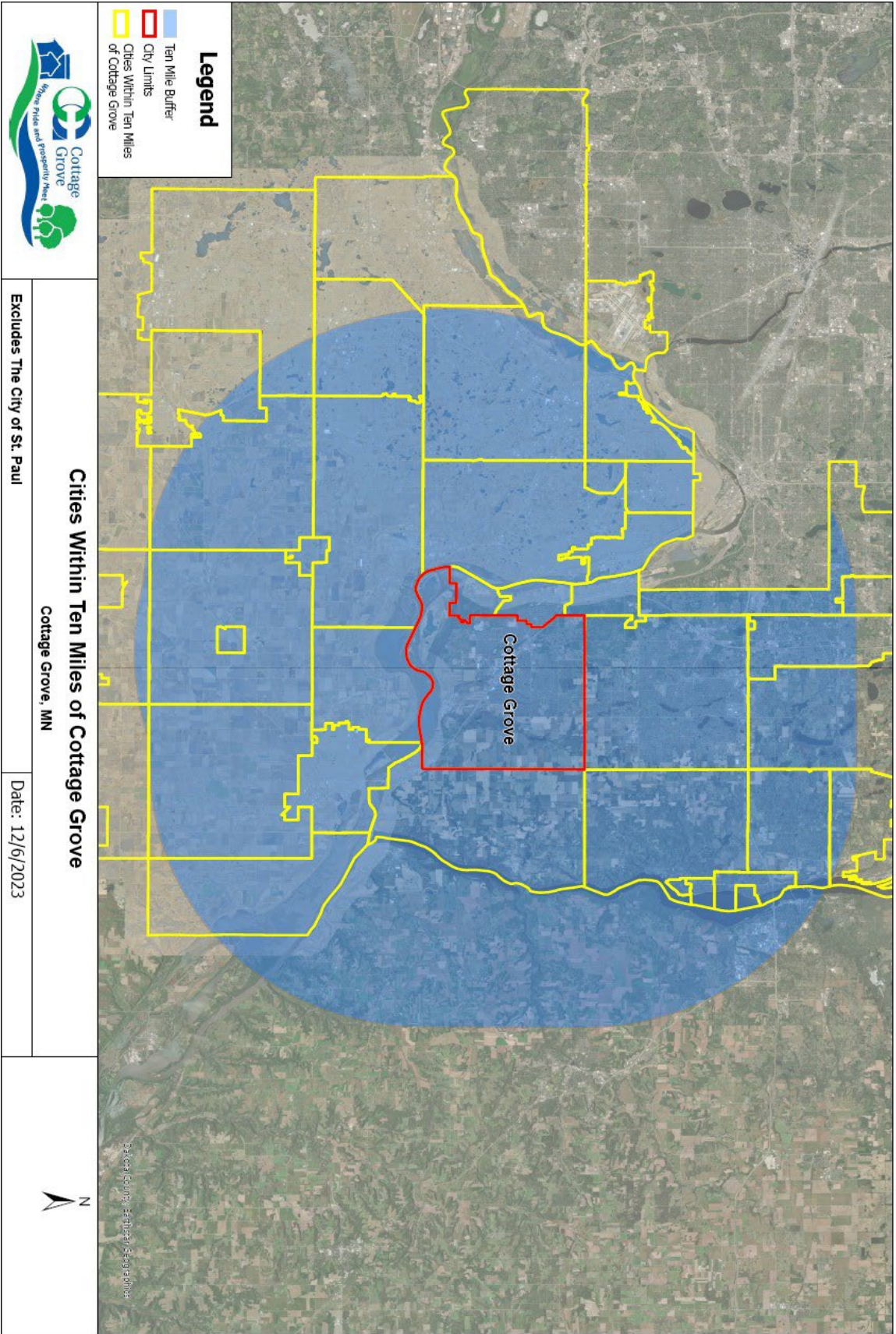
Concept Art Lists

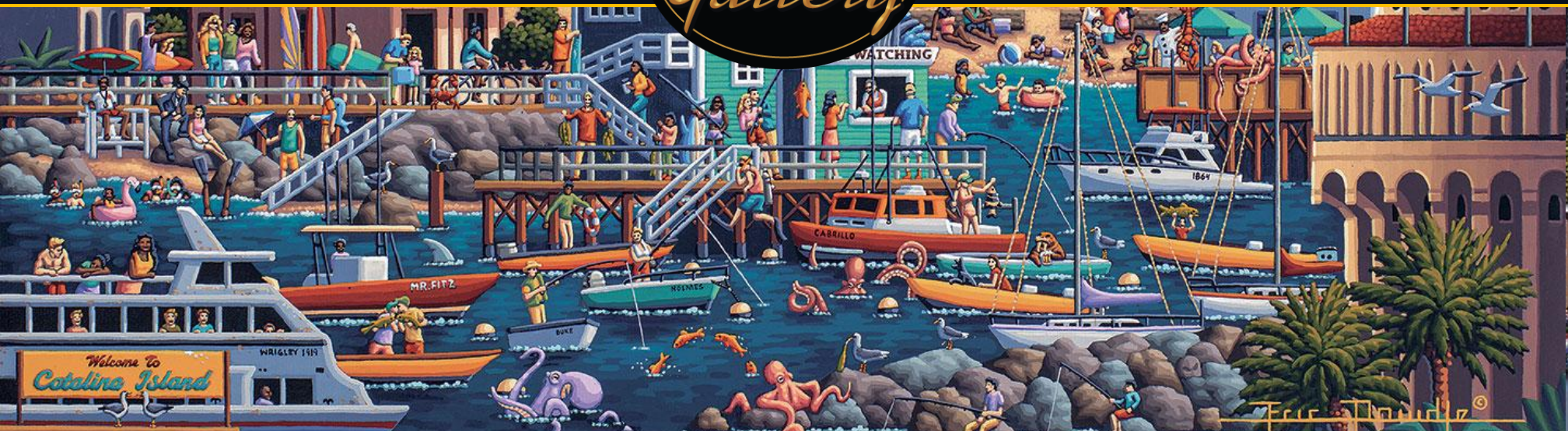
To be provided to Dowdle after approval and signing of the Agreement

“Must Have” List

“Nice to Have” List

EXHIBIT C
Geographically Excluded Cities outlined in yellow
(except for City of St. Paul)





Eric Dowdle

The Artist



***“We tell stories that inspire people to live meaningful
and engaged lives.”***

Novell
SAFE VALUES AND
- Dowdle Studios company motto

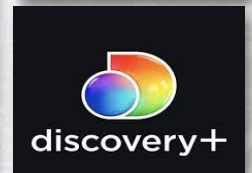
About the Artist



Dowdle™ sells more than
10 MILLION
puzzles per year

Walmart * Disney
TARGET COSTCO WHOLESALE

PIECE MAKER
Eric Dowdle®



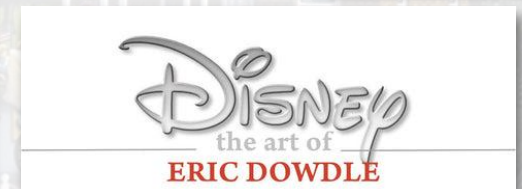
**BIGGER
THAN
MILK**

Costco
1. Chicken
2. Eggs
3. Dowdle Puzzles
4. Milk

THANK YOU!

In 2020, Dowdle's numbers quadrupled.
His puzzles were the third best-selling
item at Costco.

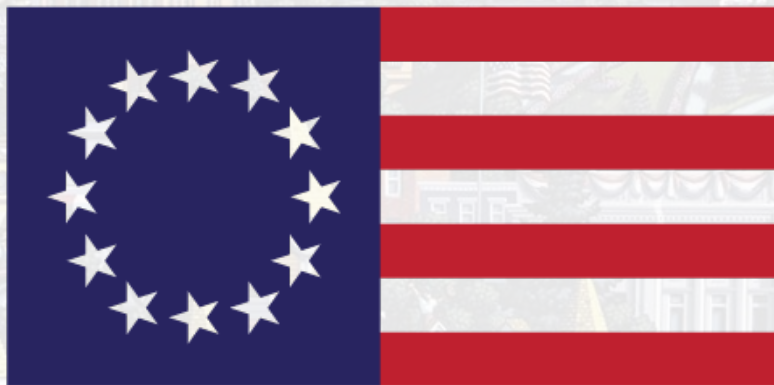
PIECE MAKER
Eric Dowdle®



Land That I Love

Tour for America's 250th Birthday!

LAND THAT I LOVE



D·O·W·D·L·E



Showcase Your City



Iconic Landmarks



City Celebrations



City and
Government
Officials



Religious
Structures



Famous and
Historical People



Statues and
Monuments



Historical
Architecture



Geographical
Features



Historical
Streets



Parks, Lakes,
Ponds and Trails



Project Commissioned Examples

City

Commission

Pleasant Grove City

Strawberry Days Centennial



Non-Profit Commission

Morro Bay

Morro Bay Beautiful



Business

Commission

COSTCO

Costco Treasure Hunt



501(C)(3) Option



Novell
ONE STATE AVENUE

Puzzle Insert Example

- Commissioned by Pleasant Grove City
- Puzzle Synopsis & Designated Callouts
- Puzzle Distributed & Retailed Nationally

PLEASANT GROVE CITY

In September 1850, seven founding families settled in the area now known as Pleasant Grove. Attracted by a "pleasant" grove of trees that signaled the land was rich with water and good soil, they quickly established farms and homes.

Pleasant Grove is home to Strawberry Days. The first Strawberry Days was held on June 21, 1921; which makes it one of the longest continuously running community celebrations in Utah. So grab some strawberries and cream, settle back for the parade, cheer for the Strawberry Days Rodeo cowboys, and celebrate the centennial year of Strawberry Days.

- | | | |
|---|--|---|
| 1. Mayor Guy Fugal | 18. Clock Tower | 35. PGHS Viking mascot (770 E. 200 S.) |
| 2. City Council Member Cyd LeMone | 19. Discovery Park (1511 N. 100 E.) | 36. Main Street |
| 3. City Council Member Eric Jensen | 20. Manila Creek Park (3300 N. 900 W.) | 37. Alhambra Theater (20 S. Main Street) |
| 4. City Council Member Todd Williams | 21. Shannon Fields (400 W. 220 S.) | 38. The Bungalow Reception Center (235 S. 100 W.) |
| 5. City Council Member Dianna Andersen | 22. Old Bell School (55 S. 100 E.) | 39. Ace Hardware (330 S. Main Street) |
| 6. City Council Member Brent Bullock | 23. Old City Hall (111 S. 100 E.) | 40. Pool Hall (15 E. Center Street) |
| 7. G Mountain | 24. Valley Vista Trails | 41. The Blacksmith Shop (400 East 600 Northish) |
| 8. Mt. Timpanogos | 25. Murdock Canal Trail | 42. Signs with 12 Neighborhoods * |
| 9. Flag hanging in Grove Creek Canyon | 26. Battle Creek Falls | 43. Battle Creek Battle Monument (1700 E. 200 S.) |
| 10. Strawberry Days Parade | 27. doTERRA (389 S. 1300 W.) | 44. Fugals Snuck Farm (501 W. 1100 N.) |
| 11. Strawberry Days Carnival (150 S. Center Street) | 28. Purple Turtle (85 E. State Street) | 45. Blue Silos (3300 N. 900 W.) |
| 12. Strawberry Days Rodeo (400 W. 220 S.) | 29. Taco Amigo (239 W. State Street) | 46. Hot Air Balloon in shape of a strawberry |
| 13. PG Public Safety Building (106 S. 100 E.) | 30. Water Gardens (912 W. Garden Drive) | 47. Stone Gate – Old Manila White Church (886 W. 2600 N.) |
| 14. PG Library (30 E. Center Street) | 31. Brooklin Allen – Miss Pleasant Grove | 48. First Mayor—Henson Walker (May 1855) |
| 15. PG Rec Center (547 S. Locust Avenue) | 32. Daylight Donuts (125 E. State Street) | 49. Biking Viking |
| 16. PG Swim Pool (582 E. 300 S.) | 33. Smith Rexall (10 S. Main Street) | |
| 17. Old Joe (Old Fire Truck) (71 E. 200 S.) | 34. Central Bank (801 S. Pleasant Grove Blvd.) | |

*Sam White's Lane, String Town, Scratch Gravel, Battle Creek, Grove Creek, Monkey Town, Old Fort, Little Denmark, Mud Hole, Northfield, Big Spring, and Manila.

• DOWDLE •

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www.DowdleFolkArt.com



Puzzle Insert

Example

- Commissioned as 501(C)(3) by Morro Bay Beautiful
- Businesses donated to be included in the art
- SOLD OUT inventory in 4 weeks

MORRO BAY

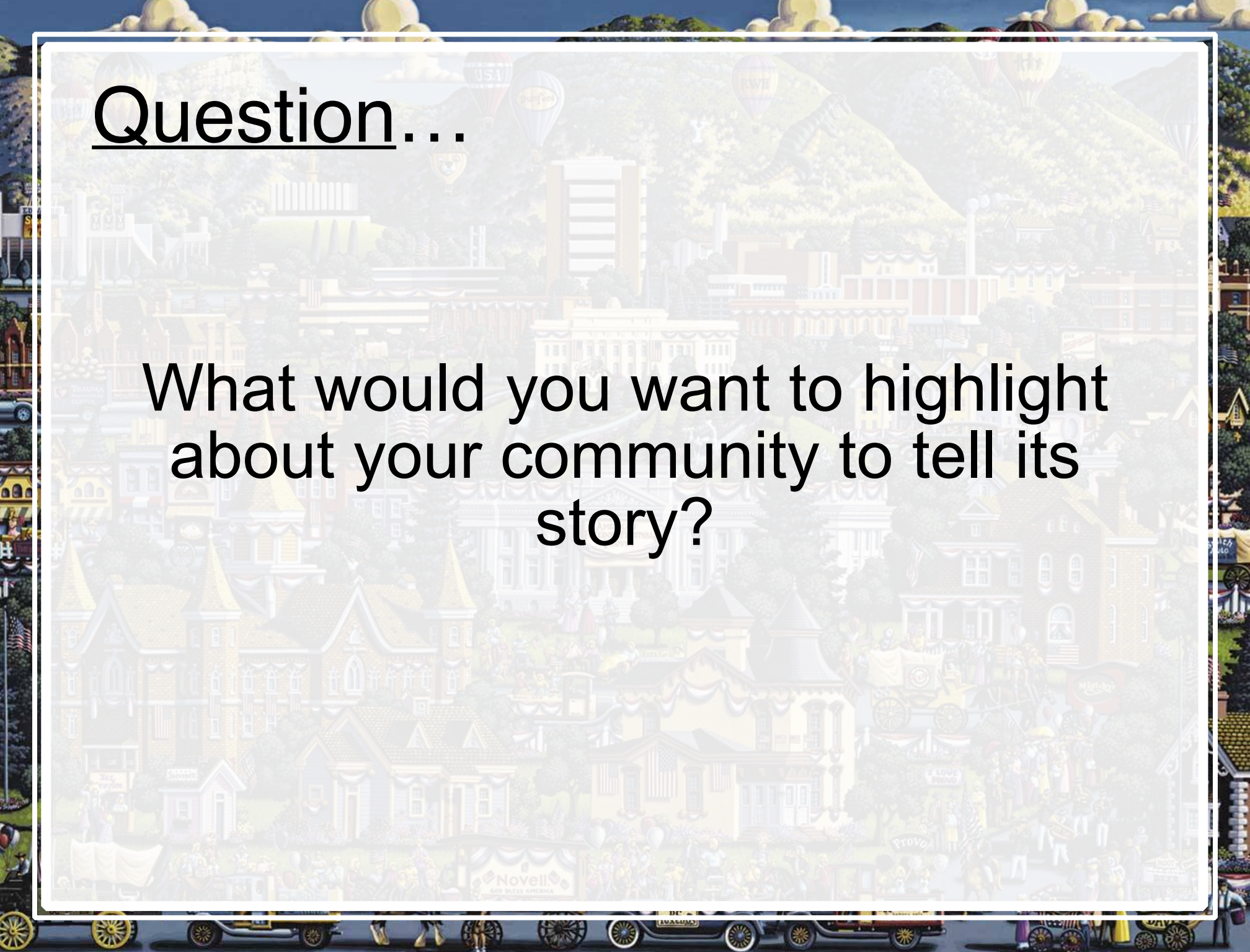
On the Central Coast of California, a large, rounded rock rises majestically out of the Pacific Ocean. When Portuguese explorer Juan Rodríguez Cabrillo saw it in 1542, he named it El Morro because of the crown shape. However, this site had been significant to the Salinan and Chumash people long before that. In 1870 Franklin Riley founded the settlement of Morro Bay as a prime trade location for dairy goods, fresh produce, and commercial fishing. The iconic rock complemented with three 450-foot smokestacks give the appearance of Poseidon's crown and trident rising from the ocean. Morro Bay is a hidden gem beloved by all who know it, and it attracts new visitors every year. We are grateful to Morro Bay Beautiful for commissioning this new Eric Dowdle painting and introducing us to their wonderful city. Come with us to Morro Bay.

1. Morro Rock named by explorer Juan Rodríguez Cabrillo in 1542. It was known as Le'samo by the Salinan people and Lisamu to the Chumash, and is a sacred spot to both peoples.
2. North of Morro Bay is the Elephant Seal Rookery.
3. The scenic Pacific Coast Highway runs right past Morro Bay.
4. The Pacific winds make kite flying exceptional.
5. The stacks were built in the 1950s as part of a power plant, now closed.
6. The waves along Morro Beach are great for surfing.
7. Blue Herons are a common sight. (see #47)
8. The Morro Bay Trolley is a great way to see the town.
9. Eric loved flying kites with Yohanna from one of the kite shops.
10. Morro Bay Maritime Museum.
11. Neal from Morro Bay Oyster Co. and his daughter Maya.
12. Morro Bay Oyster Co. uses unique methods to sustainably farm amazing oysters.
13. Margo introduced us to finger limes, aka fruit caviar, and we have been changed.
14. Max at La Parisienne bakery showed Eric how to make macaroons.
15. Morro Bay has a large, healthy and adorable sea otter population.
16. Giovanni carries the spirit of his mom, Kathy, and dad, Mike, with him in his business.
17. Giovanni's sells fresh seafood, ships it overnight, and serves amazing fresh seafood on site, mmmm.
18. The sand spit has miles of beaches and dunes facing the bay and the ocean.
19. Paddle boarding and kayaking are popular pastimes, proper form shown here by City Manager Scott.
20. Erik and Becka with the Morro Bay Harbor Patrol. They provide an incredible service.
21. The sea lion dock offers fun sights AND sounds.
22. U.S. Coast Guard provides an invaluable service to the Morro and Estero Bays.
23. The Inn at Rose's Landing – fantastic views.
24. Casey by the giant clam shell "wings" at Giovanni's.
25. Angela, Francisco, and Pablo own the Hungry Fisherman, a local favorite for good food.
26. Over a hundred ships anchor in Morro Bay as homes, dreams, and businesses.
27. Dutchman's Seafood House features acclaimed seafood.
28. The Monterey Cypress is the symbol of the Central Coast.
29. Iconic Dom's Breakers Cafe – birthplace of Morro Bay Beautiful.
30. Marina Square – great shopping and delicious food.
31. Windows on the Water has wonderful views for dining.
32. Sam, 2nd generation at Carousel Taffy.
33. Paul carries on his family's restaurant tradition at Dutchman's.
34. The sea life in Morro Bay is abundant but should not be touched.
35. World-renowned Morro Bay Shell Shop.
36. Chris continues the family tradition of excellence at Dom's.
37. Susanne with the mythical Morro Rock Macaroon, proper form shown here by City Manager Scott.
38. Morro Bay Beautiful volunteers make all the difference.
39. Former Fire Chief Knuckles and his wife Deanne – exceptional hosts.
40. Free spirits of the 60s and 70s add their flavor.
41. Adam and his "snuggle" maker.
42. Morro Bay – home of the legendary Jack LaLanne and his inspiring wife, Elaine, who is still involved in the community.
43. Julianna was a gracious hostess.
44. Ann, former Morro Bay Beautiful president and her husband Ron made this commission happen. Thank you!
45. David started the Shell Shop as a young man in Morro Bay.
46. Dowdle super fans, Patti and Shirley, live in Morro Bay.
47. Heron Rookery Natural Preserve.
48. Morro Bay Beautiful brought this painting about and they do amazing work keeping Morro Bay beautiful.
49. Tidelands Park.
50. Morro Bay Beautiful has made art of the city trash cans and keep the beaches clean with their "butt" buckets.
51. Mayor Pro Tem Jeff and Kerry with their dog Mikey.
52. Morro Bay Blue Butterfly.
53. All "creatures," both real and fictional, love Morro Bay.
54. Morro Bay National Estuary is one of a handful in the U.S.

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www.DowdleStudios.com



Question...

What would you want to highlight about your community to tell its story?

Commissioned Art Program

• Original Eric Dowdle Painting, Framed • Matching Giclee Canvas Puzzle, Framed • Art Image License • Unveiling Event	32" x 40" each	\$75,000
• Jigsaw Puzzles (100, 500, 1,000 pieces)	6,000 x \$12.50 each	\$75,000

***Suggested Puzzle Retail**

\$24.99

6,000 x \$24.99

= \$149,940.00 😊



Original Painting 32" x 40"



Matching Giclee Canvas
Puzzle
32" x 40"



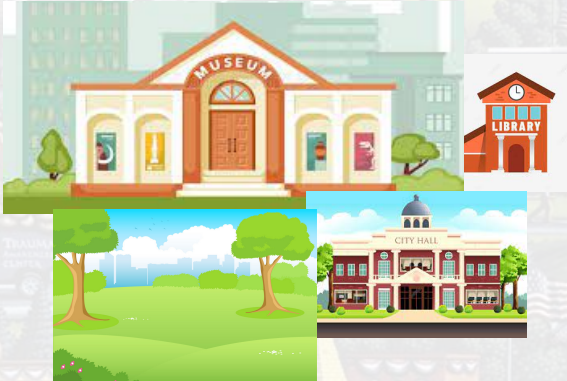
6,000 Dowdle Puzzles



The Unveiling Event



Venue Location & Event Promotion Provided by Client



Dignitaries



FOOD

Let's Celebrate!



Funding the Project



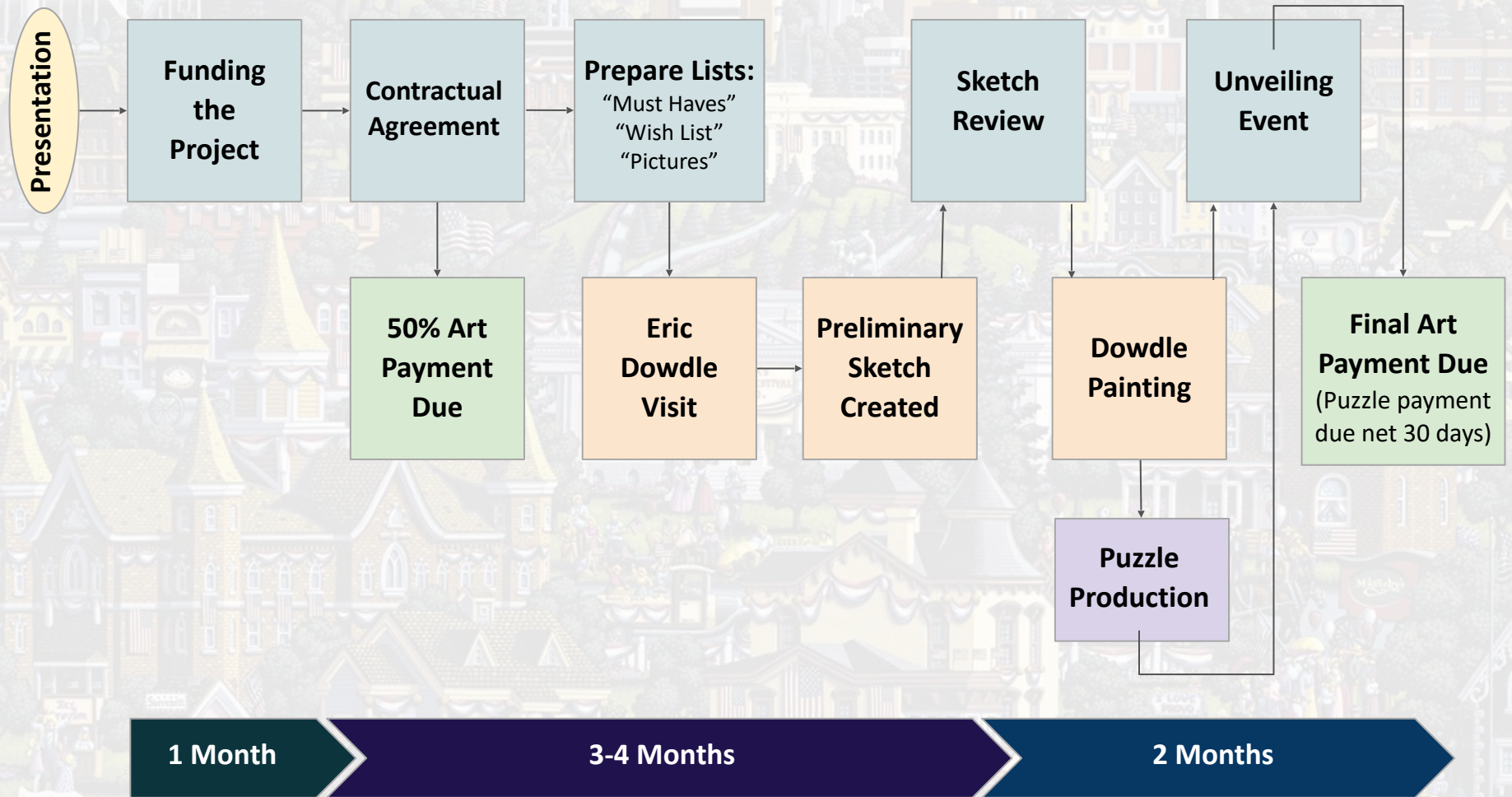
**CHAMBER
OF
COMMERCE**

IRS Qualified Charity
501(c)(3)
Tax exempt
nonprofit



Art Council & Committee

Art Project Timeline



Revenue & Fundraising Opportunities

12-Month Exclusivity Period on Art License

Copyrights,
Reproduction
and Distribution
Rights retained
by Dowdle
Studios

Press Check
(color
screening)

Revenue & Fundraising Options

Dowdle
Puzzles

Auction
Original Dowdle
Painting
and/or
Canvas Giclee

Posters

Greeting
Cards

Wholesale Cost on ALL Dowdle Merchandise

Premium
Wood
Puzzles

Framed Art
Canvas
Giclee

Stratascares

Collector
Magnets

Ornaments

Community Distribution

City Website

Local Cafes.
Restaurants &
Brewery's

BusinessPartners

Gift Shops

Truck Stops
&
Gas Stations

Dowdle Products

Optional Dowdle Products with your Image

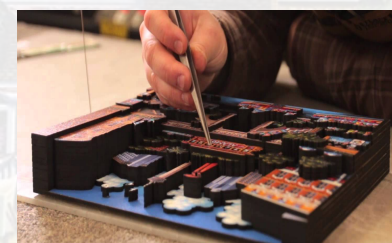
Framed Giclee Canvas Print	11"x 14"	\$99.00*
	16"x 20"	\$170.00*
	18"x 24"	\$225.00*
	22"x 28"	\$329.00*
	32"x 40"	\$716.00*
	40"x 50"	\$895.00*
Stratascapes	5"x 7"	\$250.00*
	8"x 11"	\$400.00*
	13"x 16"	\$600.00*
Wooden Puzzles - Classic (Laser-cut)	300 pc	\$120.00*
	500 pc	\$180.00*



Framed Original
Art Canvas
Giclee'



Large Framed
Stratascape



Premium Wooden
Puzzles (Laser-cut)



*Prices listed are
Wholesale

Dowdle

Commissioned Original Art Program

Optional Unveiling Events:

- Puzzle Wall
 - *On an exterior or interior wall, from 8' x 10' in size up to a 16' x 60', a large wall puzzle will be constructed.*
 - *Prices are calculated at a rate of \$150/ sq ft. Example: a 16 foot by 16 foot wall would be 256 sq ft. The cost to do that size of a wall would be \$64,000.00.*
 - *At the unveiling of the original, the wall puzzle will be unveiled.*
 - *Prominent people who represent community diversity, history, and achievement will be called up to put their pieces in the wall.*
 - *Communities have the option to build this puzzle instead of the World Puzzle at their Unveiling Event.*



Thank You



Kirk & Andi Nord
Kirknord@gmail.com
801.710.2142 – Mobile



TO: President Bailey and Members of the Economic Development Authority
Jennifer Levitt, EDA Executive Director

FROM: Gretchen Larson, Economic Development Director
Brenda Malinowski, Finance Director

DATE: December 7, 2023

RE: Trellis Co. Forgivable Loan Agreement

Background

In April 20, 2022, Trellis Co. presented a preliminary plan for a proposed development at 7601 79th Street South. Trellis Co. was looking to develop a 52-unit, affordable senior housing project, on the site that provided units at 30% and 60% of the area median income (AMI). Housing at these income levels provides an opportunity for deeply affordable senior housing, which currently is very limited in the city.

As a part of the project, Trellis Co. initially requested TIF assistance in the amount of \$450,000. The city's financial consultant team at Ehlers provided an initial analysis which indicated a gap of \$175,000 which was significantly lower than the TIF \$450,000 requested. The difference at the time, was primarily due to the other sources of funding secured by Trellis Co. via a rent subsidy program known as the Faircloth to Rental Assistance Demonstration program (RAD) which significantly expanded the amount of funding that Trellis could borrow for the project.

In June of this year, the team at Trellis Co. submitted their proposed site plan and other required documents to the planning department for review and presentation to the planning commission. Based on the further review of the information currently available by the team at Ehlers, they concluded that the development would not reasonably be expected to proceed without \$185,000 of assistance, up slightly from their initial review. After several discussions and additional meetings, it was determined that \$185,000 in assistance did not warrant the cost to create a TIF District so other options were explored. One such option that seemed to be the most cost effective, was a one-time lump-sum payment in the form of a forgivable loan. The payment could be taken from the TIF District 1-8. There is approximately \$368,000 in this District and this is an allowable use of these funds.

The one-time, lump sum payment would be paid upon completion of the Project and does meet the following public purpose criteria for awarding a forgivable loan as established by the EDA's Public Financing Criteria and Business Subsidy Policy because it will:

- a. Offset increased costs over and above the costs that a developer would incur in normal urban and suburban development.
- b. Preserve the local tax base and improve the general economy and vitality of the City;
- c. Promote the health, safety and welfare of the residents of the City; and
- d. Afford maximum opportunities, consistent with the needs of the City as a whole, for the development of the area by private enterprise.

The agreement also requires that Trellis or an affiliate thereof, its permitted successors or assigns, to continuously own the Property for at least five (5) years and operate the building as an affordable residential developer occupied by seniors and/or disabled individuals.

The agreement also requires for a period of fifteen (15) years thereafter, annual rent increases for all occupied units, not receiving project-based subsidies, shall not exceed the lower of the maximum allowed under Section 42 of the Code as established by the US Department of Housing and Urban Development or 6% from the prior year's contract rent.

Recommendation

Approve the forgivable loan agreement to Trellis Co. contingent upon performance with all the requirements as noted in the attached agreement.

Attachment

Trellis Co. Forgivable Loan Agreement

**COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY
FORGIVABLE LOAN AGREEMENT**

THIS FORGIVABLE LOAN AGREEMENT (“Agreement”) is made this ____ day of _____, 2023, by and between the Cottage Grove Economic Development Authority, a Minnesota public body corporate and politic (“EDA”), and Trellis Co., a Minnesota nonprofit corporation (“Trellis”).

RECITALS

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

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

WHEREAS, Trellis, or an affiliate thereof, has acquired certain real property located at 7601 79th Street South in Cottage Grove legally described as:

Lot 1, Block 1, Hinton Heights 1st Addition, according to the recorded plat thereof, Washington County, Minnesota

PID 08.027.21.43.0008

(“the Property”); and

WHEREAS, Trellis, or an affiliate thereof, is proposing to construct and operate an approximately 52-unit affordable housing project on the Property, for use as a multifamily affordable housing development to be occupied by seniors and/or disabled individuals (the “Project”) and is in need of financial assistance;

WHEREAS, in connection with the development of the Project, Trellis is seeking a forgivable loan from the EDA in the amount of one hundred eighty-five thousand dollars (\$185,000) (“Forgivable Loan”) to provide gap financing to fulfill the financial assistance needed for the Project; and

WHEREAS, the EDA believes the proposed Project is desirable for the City because it will provide housing units for seniors and/or disabled individuals that are 30%-60% of the area median income, which are not readily available in the City and has determined that due to the estimated cost of the Project, but for the gap financing the Project is not financially feasible without public assistance; and

WHEREAS, upon its completion, the Project will meet the following public purpose criteria for awarding a forgivable loan as established by the EDA’s Public Financing Criteria and Business Subsidy Policy because it will:

- a. Offset increased costs over and above the costs that a developer would incur in normal urban and suburban development.
- b. Preserve the local tax base and improve the general economy and vitality of the City;
- c. Promote the health, safety and welfare of the residents of the City;
- d. Afford maximum opportunities, consistent with the needs of the City as a whole, for the development of the area by private enterprise.

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

AGREEMENT

1. Construction of the Project. Trellis, or an affiliate thereof, shall construct the Project pursuant to the planning approvals and construction plans approved and on file with the City and complete it by December 31, 2025 (“Completion Date”). The Completion Date of the Project shall be evidenced by the issuance of a temporary or permanent Certificate of Occupancy.
2. Payment Terms.
 - a. The EDA shall pay the Forgivable Loan to Trellis in a lump sum after completion of the Project, following receipt of proof of payment for construction costs incurred for

work performed on the Project. The EDA shall pay Trellis within 30 days after receipt of proof of payment for the construction costs.

- b. Trellis agrees to accept the Forgivable Loan from the EDA.
3. Five-Year Ownership Requirement. Trellis, or an affiliate thereof, its permitted successors or assigns, to continuously own the Property for at least five (5) years, and operate the building as an affordable residential developer occupied by seniors and/or disabled individuals, except in the event of unforeseeable casualty, in which event, Trellis, or an affiliate thereof, shall rebuild and reopen the Project as soon as reasonably possible.
4. Rent Increase Restrictions. Once placed in service and for a period of fifteen (15) years thereafter, annual rent increases for all occupied units not receiving project-based subsidies shall not exceed the lower of the maximum allowed under Section 42 of the Code or 6% from the prior year's contract rent. Notwithstanding the foregoing, once a unit in the Project becomes vacant, the rent for such unit may be increased to the maximum amount allowed under Section 42 of the Code as established by the United States Department of Housing and Urban Development, but thereafter the annual rent increases for all occupied units shall not exceed the lower of the maximum allowed under Section 42 of the Code or 6% from the prior year's contract rent until the unit again becomes vacant. In the case of extraordinary circumstances, Trellis, or an affiliate thereof, may submit to the City for review and approval a written request for an annual rent increase in excess of the limits described hereunder, which the City shall approve or deny in its reasonable discretion within a reasonable time after receipt of such request.
5. Compliance with all laws. Trellis, and any applicable affiliate thereof, shall comply with all applicable federal, state and local requirements required by the EDA, including, but not limited to regulations due to the source of the Forgivable Loan from the EDA and any annual reporting requirements in order to comply with Section 4 of this Agreement.
6. Forgiveness of Loan and Default.
 - a. If Trellis, and any applicable affiliate thereof, complies with Section 3 of this Agreement, the Forgivable Loan will be forgiven five (5) years after the Completion Date. If Trellis, and any applicable affiliate thereof, do not comply with the terms and conditions of this Agreement, any one or all of them and any investor limited partner shall be given an opportunity to cure, as provided in Section 6b. of this Agreement. Failure to cure shall be an event of default and Trellis shall be required pay back a portion of the Forgivable Loan on a prorated basis, with interest, based on the portion of the five-year operation period elapsed as of the date of default.
 - b. In the event of default of Section 3 or Section 4 of this Agreement, Trellis, any applicable affiliate thereof, and any investor limited partner shall be given a 30-day period to cure the default. The EDA may exercise all remedies at law or in equity to recover the unforgiven portion of the Forgivable Loan due to a default or take any

actions necessary to compel compliance with the Rent Increase Restrictions or other events of default.

7. The parties agree that this Agreement shall be construed pursuant to Minnesota law and any disputes shall be venued in Washington County, Minnesota.

8. Notices to the parties shall be sent as follows:

If to EDA:

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

If to Trellis:

Trellis Co.
Attn: Dan Walsh
Vice President of Housing Development
614 North First Street, Suite 100
Minneapolis, MN 55401

with copy to: Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, MN 55402
Attention: Shawn Alexander

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

[THE REMAINDER OF THIS PAGE INTENTIONALLY BLANK]

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

COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY

Myron Bailey
Its: President

Jennifer Levitt
Its: Executive Director

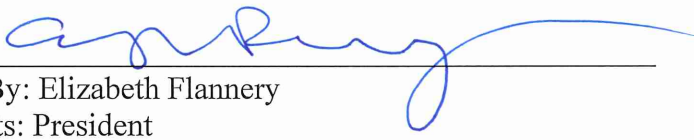
STATE OF MINNESOTA)
)ss
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this _____ day of _____, 2023, by Myron Bailey and Jennifer Levitt, the President and Executive Director, respectively, of the City of Cottage Grove Economic Development Authority, a Minnesota public body corporate and politic existing under the Constitution and laws of Minnesota, on behalf of the EDA.



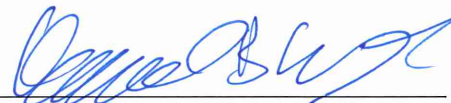
Notary Public

TRELLIS CO.,

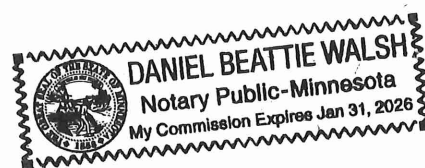

By: Elizabeth Flannery
Its: President

STATE OF MINNESOTA)
)ss
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 8th day of December, 2023, by Elizabeth Flannery the President of Trellis Co., a Minnesota nonprofit corporation, and that the foregoing instrument was executed on behalf of the nonprofit corporation and she acknowledged the instrument to be the free act and deed of said nonprofit corporation.



Notary Public



This document was drafted by:
Korine Land #0262432
LeVander, Gillen & Miller, P.A.
1305 Corporate Center Drive Suite 300
Eagan, MN 55121

27044704v8

TO: Economic Development Authority

FROM: Jennifer Levitt, EDA Executive Director

DATE: December 8, 2023

RE: Viewpoint Project

Introduction

Viewpoint Project is a video storytelling service that works with public television stations in all 50 states. Dennis Quaid is the host of the series and tees up the video in between episodes of your favorite PBS program. The Viewpoint team's goal is to provide innovative and unique content featuring the world's most influential organizations and individuals. The Viewpoint Project would provide exposure for Cottage Grove on a national level in this short-form documentary. The exposure brings about awareness of the great business climate in our community, the proactive planning we do to attract businesses and housing developments, and the great recreational amenities the community has to offer. Currently with inflation rates higher, there is a slowing of investment both in the industrial and residential market. So, the timing to run a segment on Viewpoint would time well for our market to bring about awareness and then be poised to take advantage of the resurgence of business investment in 2025 and 2026.

Background/ Discussion

Cottage Grove has the opportunity to create our own storyline, work with professional videographers to capture it and then have it broadcast to an international audience.

Audience and benefits of Viewpoint Project

- 60 million executives.
- People who watch have an average annual income of \$150K.
- Video would run one year on public television between shows such as Nova and Masterpiece Theater.
- Video featured on Viewpoint Project website.
- Video included in an email to targeted audience.

Deliverables from the Viewpoint Project team

- 5-6 Minute Corporate Profile
 - This would include the production of one 5-6-minute educational documentary with the educational message to our target audience.
 - Development of a featured storyline (still to be determined).
 - Production includes interviews, narration, script writing, videography, graphics and music, and featuring our logo and contact information.
- Educational Commerical Television Airing

- One-minute educational video
 - Used for network distribution once on primetime in over 84 million homes via MSNBC, CNBC, CNN or an equivalent network.
 - The segment would also air 400 times in many of the top 100 Designated Marketing Areas during peak and primetime on networks such as Headline News, Discovery Life, Fox Business Network, The Learning Channel, Discovery Channel or equivalent networks.
- Internet Distribution
 - Viewpoint will digitize your segments into digital files for streaming on our website or social media sites.
 - Viewpoint will design and generate an email campaign to our narrow casted audience sending up to 1 million video emails for their database.

Viewpoint Project with Dennis Quaid retains the editorial and broadcast rights of the Public Television segment with Dennis Quaid.

Project Schedule

The Viewpoint team schedules 90 days out, the desire is to focus on having the production team come in the late spring or early summer to capture Cottage Grove at its best. The city needs to complete the questionnaire that is enclosed to develop our storyline and targeted audience. It is proposed to work on the questionnaire in the following weeks if the contract is authorized and then provide the completed questionnaire to the EDA for additional comment and input.

Cost of Viewpoint Project

The cost of the project would be \$25,900 plus the cameraperson & travel time of \$3,400.

The price to enter a contract with the Viewpoint Project is comparable to having a booth at ICSC. It is recommended to forgo having a booth at ICSC in May 2024 in exchange for doing this unique opportunity of education and marketing of our community. Representatives of the city would still attend ICSC to visit with brokers, developers and end users to continue to build off the momentum we currently have and relationships we have built.

Recommendation

Approve the professional services agreement with VIEWPOINT.

Attachments

Viewpoint Questionnaire

Viewpoint Professional Services Agreement

Leadership has met about Viewpoint Project and brainstormed potential storylines and focuses. They include, "Being Positioned for Growth", "Community Creating Opportunity", "Shovel Ready" and "A Community Built with Inspiration from Nature."

Examples



[Travel & Adventure](#)
[Great Places to Live and Play Stay](#)



[Building & Architecture](#)
[Building by Design](#)



[Culture](#)
[Williamsburg County](#)

VIEWPOINT

WITH DENNIS QUAID

Research Questionnaire

Email a completed copy of this questionnaire to Graphics@ViewpointProject.com

Producer you are working with: _____

Company Name: _____

Production Contact for your company: _____

Telephone: _____

Fax Number: _____

Email Address: _____

Website: _____

Location Where Your Project Can Be Filmed (You will need to confirm the shoot date and location within 5 days of being contacted by our field producer): _____

Specific Storyline or Educational Focus:

In laymen's terms, please provide an overview of your educational message:

What are the key ideas that contribute to the use or unique aspect of the education?

Who are the most important people to educate?

What is the most important message that your company would like to convey in the documentary?

Is there any interesting anecdote or inspiration behind the development of your organization?

What are the most important hot topics or issues in your field, or company, related to the project and message?

What are the controversial subjects or issues in your field (related to the project)? Where does your organization stand on those issues? Should the issues be addressed or avoided in this production?

What future trends do you see your company having an impact on your field?

How are you planning to address these trends?

Please rate the following on a scale of 1-10 (10 being the highest) in relation to the importance given to each as a basis for your participation in the series...

Public Television Exposure	1	2	3	4	5	6	7	8	9	10
Corporate Documentary	1	2	3	4	5	6	7	8	9	10
Narrowcasting Campaign	1	2	3	4	5	6	7	8	9	10
Digitizing for Website Use	1	2	3	4	5	6	7	8	9	10
Commercial Exposure	1	2	3	4	5	6	7	8	9	10

Please provide a copy of your company's logo (See last page for details).

Please indicate how you would like your company's name and/or phone number and/or website to appear on the custom corporate documentary / educational tape (i.e. where to send viewers at the end of seeing the program).

What will be the main use(s) for your custom corporate documentary? Please indicate all that apply:

- ☐ Educational Tool
- ☐ Tradeshow Tool
- ☐ Investor Relations
- ☐ Public Relations Tool
- ☐ Sales Force Tool
- ☐ Marketing Tool
- ☐ Used in House (Such as in an office or lobby)
- ☐ DVD Duplication and Use
- ☐ Website Streaming
- ☐ Other (Please Specify) _____
- ☐ Other (Please Specify) _____

Mark those you want to include in the 5-6-minute corporate documentary:

- ☐ Product Shots / "How-To" Shots
- ☐ A *Call to Action* or Pricing Information
- ☐ Mission Statement Slogan(s)
- ☐ Distributor Information and Phone Number
- ☐ Product Logo E-mail Address
- ☐ Corporate Logo Web Address
- ☐ Corporate Spokesperson Other

Please provide a summary of the story with key words for identification on Bing and YouTube to add as a description to the 5-6-minute corporate documentary that will be online:

Please provide 10 key words (phrases) or *tags* that will be associated with your online video for SEO (search engine optimization) purposes:

_____	_____
_____	_____
_____	_____
_____	_____

Do you have a webmaster or graphics person that will be building your landing page for the narrowcasted email campaign? ☐ Yes ☐ No

What will the response mechanism be on the landing page for visitors when they visit your site?

Materials Request Form

Can you provide:

(A) Raw Footage / B-roll: ☐ Yes ☐ No

(B) Master Footage: ☐ Yes ☐ No

Please send your latest press releases, articles, brochures, any literature, *etc.* on your company/organization as well as any photos or digital imagery you would like to incorporate into the story.

Please send your company logo if you have one. If you do not have one, speak to the field producer on next steps.

If you have a company/organization logo:

Your company logo stat and color key must be mailed to us, or your logo may be sent in the digital formats listed:

TIFF	JPEG	PICT	EPS	PCX	DXF	TIF
Targa (TGA)	BMP	Photoshop (PSD)	WMF	Adobe Illustrator (AI)		
GIF	SGI					

- The logo resolution should be a *minimum* of 550 pixels wide, and 120 dpi. Higher resolution is preferable.
- Preferred formats are: Adobe Photoshop with layers over no background, or Adobe Illustrator.
- When sending Adobe Illustrator files include fonts or convert fonts to outlines.
- Include file extension suffix with filename (i.e. .tif, .psd, .tga, *etc.*)
- Files can be sent on CDROMS, DVDs, or emailed.
- If compressing an image, use BEST quality rating when saving the file.

Our email address for all image files is: Graphics@ViewpointProject.com

Please contact our graphics department via email if you have any questions.

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT ("Agreement") is made and executed this ____ day of _____, 2023, by and between the Cottage Grove Economic Development Authority, 12800 Ravine Parkway, Cottage Grove, Minnesota 55016, ("EDA") and Viewpoint, 1615 South Congress Ave (suite 103), Delray Beach, Florida 33445 ("Consultant").

WHEREAS, the EDA has accepted the proposal of the Consultant for certain professional Services; and

WHEREAS, Consultant desires to perform the Services for 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 Consultant as an independent contractor for the purpose of performing certain professional Services ("Services"), as defined in a proposal dated November 6, 2023, incorporated herein as Exhibit A;

(Hereinafter "Exhibit.") Where terms and conditions of this Agreement and those terms and conditions included in the Exhibit specifically conflict, the terms of this Agreement shall apply.

- b. Consultant covenants and agrees to provide Services to the satisfaction of the EDA in a timely fashion, as set forth in the Exhibit, subject to Section 7 of this Agreement.

2. PAYMENT.

- a. EDA agrees to pay and Consultant agrees to receive and accept payment for Services as set forth in the Exhibit.
- b. Any changes in the scope of the work of the Services that may result in an increase to the compensation due the Consultant shall require prior written approval by the authorized representative of the EDA. The EDA will not pay additional compensation for Services that do not have prior written authorization.
- c. Consultant shall submit itemized bills for Services provided to EDA. Bills submitted shall be paid in the same manner as other claims made to EDA.

3. TERM. The term of this Agreement is identified in the Exhibit. This Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate, and upon the same terms and conditions as herein stated.
4. TERMINATION.
 - a. Termination by Either Party. This Agreement may be terminated by either party upon 30 days' written notice delivered to the other party to the addresses listed in Section 13 of this Agreement. Upon termination under this provision, if there is no default by the Consultant, Consultant shall be paid for Services rendered and reimbursable expenses until the effective date of termination.
 - b. Termination Due to Default. This Agreement may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this Agreement. The non-performing party shall have fifteen (15) calendar days from the date of the termination notice to cure or to submit a plan for cure that is acceptable to the other party.
5. SUBCONTRACTORS. Consultant shall not enter into subcontracts for any of the Services provided for in this Agreement without the express written consent of the EDA, unless specifically provided for in the Exhibit. The Consultant shall pay any subcontractor involved in the performance of this Agreement within the ten (10) days of the Consultant's receipt of payment by the EDA for undisputed services provided by the subcontractor.
6. STANDARD OF CARE. In performing its Services, Consultant will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession in the same locality at the time the Services are provided. No warranty, express or implied, is made or intended by Consultant's undertaking herein or its performance of Services.
7. DELAY IN PERFORMANCE. Neither EDA nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; pandemics; 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 Consultant under this Agreement. If such circumstances occur, the nonperforming party shall, within a

reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Consultant will be entitled to payment for its reasonable additional charges, if any, due to the delay.

8. 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. The Consultant has designated Anthony Davis to be the primary contact for the EDA in the performance of the Services. He may be assisted by other staff members as necessary to facilitate the completion of the Services in accordance with the terms established herein. Consultant may not remove or replace these designated staff without the approval of the EDA.

10. INDEMNIFICATION.

- a. Consultant 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 Consultant and EDA, they shall be borne by each party in proportion to its own negligence.
- b. Consultant shall indemnify EDA against legal liability for damages arising out of claims by Consultant's employees. EDA shall indemnify Consultant against legal liability for damages arising out of claims by EDA's employees.

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

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

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

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

If to EDA: Cottage Grove Economic Development Authority
12800 Ravine Parkway
Cottage Grove, MN 55016
Attention: EDA Executive Director

Or e-mailed: jlevitt@cottagegrovemn.gov

If to Consultant: Viewpoint
1615 South Congress Ave (suite 103)
Delray Beach, Florida 33445
Attention: Anthony Davis

Or emailed: info@viewpointproject.com

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

15. GENERAL PROVISIONS.

- a. Assignment. This Agreement is not assignable without the mutual written agreement of the parties.
- b. Waiver. A waiver by either EDA or Consultant of any breach of this Agreement shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.
- c. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota and any action must be venued in Washington County District Court.

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

[remainder of page intentionally left blank]

COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY

By: _____
Myron Bailey, President

By: _____
Jennifer Levitt, Executive Director

CONSULTANT

By: _____

Its: _____

Date: _____

VIEWPOINT

WITH DENNIS QUAID

Internet Distribution

VIEWPOINT will digitize your segments into digital files for streaming on your website and will be delivered in a format for streaming on social media sites. VIEWPOINT will design and generate an email campaign to your narrowcasted audience sending up to 1,000,000 video emails from our email database.

Project Cycle: 90-120 Days

Day 1: Contract signed, and organization is scheduled for participation in the project.

Days 2-14: Project Fee is due on receipt of invoice; Questionnaire and Collaterals Sent.

Days 15-45: Project assigned to a field producer, producer reviews literature, acclimates to storyline.

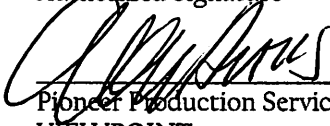
Days 46-75: Scripts written and approved. Shoot location determined and shoot day set.

Days 76-90+: Shoot Day occurs; studio edits film; segments are approved & media schedule is set for airing.

Requirements of City of Cottage Grove, Mn.

- a. Completion of the Research Questionnaire. (Available online, by email, & in Welcome Package)
- b. Collateral materials sent necessary to the storyline and to aid the producer and field producer in scripting. (Included should be all necessary literature, marketing materials, past video work, master files of previously shot video (if available), company logo(s); all helpful creating the script.
- c. A list of potential interviewees and site locations where the educational story may be shot.
- d. City of Cottage Grove, Mn. does hereby commit to participate in this project described above and agrees to pay the \$25,900 underwriting and scheduling fee upon receipt of invoice (there are no post-production fees).
- e. The one day one location shoot will be provided for a location fee of \$3,400 to shoot onsite in the continental U.S. This location expense will be the responsibility of City of Cottage Grove, Mn.. Alternately, a field production crew can be provided on location at an appropriate facility in South Florida (West Palm Beach to Miami) to shoot all footage and interviews for this project at no additional expense if the organization has a South Florida location to shoot story in use by an end user.
- f. Expert advice on the technical accuracy of script and video for the 5-minute educational documentary and one-minute segment within 5 business days of receipt of these deliverables.
- g. City of Cottage Grove, Mn. will receive the licensing rights to the 5-6-minute corporate documentary and educational commercial at the end of the project at no further cost, and digital files of the aforementioned segments. As a VIEWPOINT featured guest- you will also receive a six-month enterprise membership to ClipStock at no additional cost. This membership includes unlimited access to stock footage, music, SFX with editing capabilities. City of Cottage Grove, Mn. will have final sign-off on all 3 segments prior to airings and distribution.

Authorized Signature



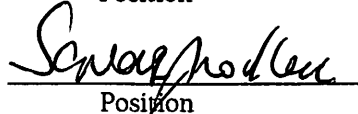
Pioneer Production Services, LLC

VIEWPOINT

Senior Producer

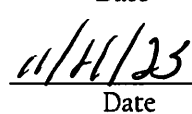
Anthony Davis

Position



Position

Date



Date

VIEWPOINT

P. 561-244-7620 • info@viewpointproject.com

CONSULTANT

By: Anthony Davis
Its: City of Davis
Date: 11/11/2023



City of Cottage Grove
Calendar of Upcoming Events

DATE	EVENT	TIME	LOCATION
Tuesday, December 12, 2023	Advisory Committee on Historic Preservation	6:00 PM	Council Chambers
Thursday, December 14, 2023	Metropolitan Governance Task Force (Public Engagement)	12:00 PM	Lake Elmo City Center
Thursday, December 14, 2023	Chamber Holiday After Hours	6:00 PM	River Oaks
Monday, December 18, 2023	Planning Commission	7:00 PM	Council Chambers
Monday, December 20, 2023	City Council (Regular Meeting)	7:00 PM	Council Chambers
Thursday, December 21, 2023	HERO Facility Operations Committee	2:00 PM	HERO Center
Wednesday, January 6, 2024	City Council (Special Session)	6:00 PM	Glacier Vally Park Building
Tuesday, January 9, 2024	Economic Development Authority	7:30 AM	Council Chambers

COMMUNITY EVENTS - www.discovercottagegrove.com

Wednesday, December 10 – Holiday Train – West Point Douglas Rd.