



CITY OF COTTAGE GROVE  
12800 Ravine Parkway South  
Cottage Grove, Minnesota 55016  
Council Chamber - 7:30 AM

February 13, 2024

## Economic Development Authority

---

### AGENDA

1. Call to Order
2. Roll Call
3. Approval of Minutes
  - 3.1 January 9, 2024, Meeting Minutes.
4. Business Items
  - 4.1 Economic Development Update/Business Inquiry
  - 4.2 First Amendment to the Purchase Agreement – Kwik Trip
  - 4.3 Dowdle Art Project – Amendment to the Services Agreement
5. Public Hearings
6. Other Business
  - 6.1 EDA Calendar
  - 6.2 EDA Comments
  - 6.3 Response to Previous EDA Comments
7. Workshop
8. Presentations
9. Adjournment

# CITY OF COTTAGE GROVE

## ECONOMIC DEVELOPMENT AUTHORITY

---

### MINUTES Economic Development Authority (EDA) Meeting January 9, 2024

Pursuant to due call and notice thereof, a meeting of the Economic Development Authority was held on the 9th day of January 2024, at 7:30 a.m.

#### 1. CALL TO ORDER

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

#### 2. ROLL CALL

Director Gretchen Larson called the roll: EDA President Bailey-Here; EDA Vice President Olsen-Here; EDA Member Carey-Here; EDA Member Jean-Baptiste-Here; EDA Member Myers-Here; EDA Member Scott-Here; EDA Member Tschida-Here.

EDA President Bailey announced to the Board that he had appointed Council Member Olsen as Vice President of the EDA and welcomed him. EDA Vice President stated he's happy to be here and thanked EDA President Bailey.

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

**Members Absent:** None.

**Staff Present:** Jennifer Levitt, City Administrator  
Gretchen Larson, Economic Development Director  
Emily Schmitz, Community Development Director  
Alexa Anderson, Administration Specialist

**Others Present:** Schane Rudlang, Ehlers, Inc.  
Travis Fauchald, Roers Companies

#### 3. APPROVAL OF MINUTES

##### 3.1 Approval of December 12, 2023 EDA Meeting Minutes

Mayor Bailey noted staff found an error in the December 12, 2023 EDA Meeting minutes. EDA Member Jean-Baptiste was listed as stating here during Roll Call, though he was not; his name

was also listed in the Members Absent section. The minutes were subsequently amended, but he wanted to note that before he asked for a motion and a second to approve the minutes.

EDA Vice President Olsen made a motion to approve the amended December 12, 2023 EDA Meeting Minutes. Motion was seconded by EDA Member Carey. Motion passed unanimously (7-to-0 vote).

#### 4. BUSINESS ITEMS

##### 4.1 Beige Book Report

Mayor Bailey stated there is no report today; Director Larson noted the Beige Book Report will be ready again in February.

##### 4.2 Development Updates

O2B Kids: Foundation work has been completed and the framing has started.

Hemingway Retail Center: Work is nearing completion for the façade improvements, and next they'll move on to the interior; one tenant is Dunkin'/Baskin Robbins.

Dunkin'/Baskin Robbins: The trade work continues their buildout.

Hohenstein's: The exterior wall panels have been completed; construction of the roofing steel work is underway.

The View Apartments: A Temporary Certificate of Occupancy (CO) has been issued, with minor punch list items needing to be completed before the full CO will be issued.

Trellis (Bluestem Apartments): Plans are under review for the new affordable senior living apartment building to be located at 7601 79th Street South.

Norhart Apartments: Plans have been submitted for the new market-rate apartment building to be located at 10251 Hadley Avenue.

Tradehome Shoes: A Letter of Approval has been issued for the mezzanine and lower-level offices.

Cottage Grove Logistics Park: 7601 100th Street: Finishing work has begun for speculative office. In the adjacent building, 7701 100th Street, the office buildout is completed but waiting on electrical equipment to finish the project.

Director Larson stated she and Emily Schmitz, Community Development Director, would be happy to answer any questions about these projects.

EDA President Bailey stated maybe the only thing that wasn't brought up, that he had a question about at Starbucks this morning, was that Chase Bank is going into the empty spot next to Culver's. It seems to be the question of the day with the fencing going up there; that project was preapproved.

Director Larson stated they're also going to write an article about that, to give the public an update.

#### **4.3 TIF District Plan and Establishment of TIF District No. 1-21 for Roers' Cottage Grove Apartments, LLC**

Director Larson stated the City received a public financial assistance request from Roers Development, seeking Tax Increment Financing (TIF) for their proposed development at 6850 East Point Douglas Road. The Council received a project presentation in October. The Developer originally proposed to construct a 144-unit, mixed-income, multi-family apartment project with 20% of the units at 50% Area Median Income (AMI). During those discussions and based on the desire of the City to make this more affordable, Roers increased their affordability to include eight units at 60% AMI, along with some naturally affordable 70% AMI and 80% AMI units. The chart displayed on the screen shows you the mix of the apartments that are going to be available. As a result of the additional affordability, the team at Ehlers, our financial consultants, ran another analysis of the project. They concluded that TIF assistance for no more than 15 years, with a present value of \$1.96 million, was warranted. So, that's the background on the TIF itself.

Director Larson displayed on the screen, to the right, a view of the actual site. The proposed TIF plan modifies the Development Program of Development District No. 1 of the City and establishes TIF District 1-21. To complete the establishment of the TIF District, the EDA requests the City Council hold a public hearing on the proposed modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 1-21, at their January 17, 2024 City Council meeting. If approved, that will complete the process.

Right now, the EDA is still considering creation of the District, which gives you authorization to use tax increments to pay qualified costs, identified collectively in the TIF Plan as qualified costs. Qualified costs include site improvements and preparation, public utilities, other qualifying improvements, interest, and administrative costs.

Resolution 2024-02 authorizes creation of an Interfund Loan for up to \$25,000 from the EDA Fund, to be transferred to its TIF Fund, to pay for a portion of the qualified costs. As TIF is generated and received, the EDA Fund is repaid, and the Interfund Loan is retired. The Interfund Loan is required so that the EDA is made whole from future TIF payments for the project itself.

A Contract for Private Development is the formal contract between the EDA and Roers Cottage Grove Apartments, LLC. The contract defines the terms, agreements, improvements, and restrictions that must be made by Roers to receive TIF payments. The agreement includes a lookback provision to ensure assistance was right-sized.

A separate agreement for the sale of Outlot A to the developer for \$28,000 will be considered as the project continues to move forward. Outlots C and D, which are City-owned stormwater ponds, are proposed to be deeded to the developer as a part of the project.

Director Larson noted there are three recommendations before you, and they could all be combined into one motion if you so choose.

She noted Schane Rudlang, from Ehlers, is here if you have questions about the TIF Agreement, and Travis Fauchald, representing Roers, is also here.

EDA President Bailey asked if anyone had questions for staff at this point. EDA Vice President Olsen said Director Larson had indicated on a slide that there's a lookback provision to ensure that the assistance is the right size, and he knows that's a common thing.

For those watching at home, he asked if a staff member could explain that; Director Larson replied we'll have Schane, from Ehlers, give that explanation.

Schane Rudlang stated that's a great question. So, we have a lookback in the Development Agreement for this project which, as you said, is typical for most of the communities that we work with. Lookbacks come in a lot of different flavors, and in this one, we have three lookbacks:

- 1) There's a lookback at the time construction is complete, to make sure that the construction costs are in line with how we did the analysis for public assistance. If the construction cost comes in cheaper, which hasn't been happening much lately, then the assistance would be downsized to accommodate that savings.
- 2) The second is a lookback at stabilization. So, when they're leased up, their first leases are signed, they're over 90% occupied, we take a look at the performance of the project. So, how it's going to do over time, and then we do another right-size calculation to make sure that the TIF assistance wasn't provided in excess of what was needed to get the project done.
- 3) The last lookback comes into play if the project is sold. So, there's a "For Sale" provision in there as well; sometimes that happens and sometimes it doesn't, because sometimes developers and owners hold projects. So, that's a lookback on the sale, we'll say if they did really well on the sale, then some of the TIF assistance is shaved off. If they didn't do well on the sale, then the assistance was necessary. Maybe more assistance was needed, but it's not adjusted up in that situation.

Council Member Olsen stated so, it's fair to say that these lookback provisions provide a degree of security to the EDA and/or the City relative to how much assistance the project may be qualified for, based on their performance, etc. It ensures that we're really protecting the public trust in a few different ways, as we have three different lookbacks: To ensure that the TIF isn't too big for the project, if the project is going to come in under budget, maybe uncommon, but it's happened, and less TIF assistance would be required. He asked if that was accurate, and Schane replied that yes, it was. Council Member Olsen thanked Schane for the explanation.

EDA Member Tschida asked if we'd done a study on how many apartments Cottage Grove can sustain, as it seems we've been building a lot of them recently. EDA President Bailey stated the answer is yes, and he's not sure who would like to give more information on that.

City Administrator Jennifer Levitt stated that's a great question. Obviously, we have a lot of demand in the market, and she'd probably ask Roers to speak to the marketability in their analysis. Also, at the City's Strategic Plan meeting on Saturday, they also authorized staff to proceed with a Housing Study to specifically look at the market and what gaps or trends we're seeing in it to ensure sustainability. She asked the Applicant to talk about their analysis, related to their project, and what they see as viable in the marketplace today.

Travis Fauchald, Roers Companies, stated it's a great question. As EDA Member Tschida mentioned, there's a lot of multifamily being built in the City of Cottage Grove, elsewhere in the Twin Cities, and nationwide. He stated they're not concerned with the supply that's coming online due to the affordability of the units here. We have 20% of our units set aside at 50% AMI and several units at 60% AMI, with the remainder of units being intentionally below market-rate rents. So, we feel by offering a market-rate quality unit at a lesser price, there shouldn't be

concerns with leasing. We believe that other tenants/residents in other communities would want to live here for a lesser price. We want to do that to incentivize people to move into our projects and for them to remain full. Another thing we do is we rely on a lot of third-party reports, nomadic market studies and local market studies, to make sure that we're putting projects in the right places with demand. We found, similar to the housing study, that there is a lot of pent-up demand that still exists. We're long-term owners and operators, and our property management company will be the ones that will be managing this property. So, that's kind of the homework and the background for our rationale to make this investment here.

EDA Member Tschida stated his only other question is a technical one. You're planning on using 57% Class 1 and 2 materials and then 53% Class 3 materials; that's 110%.

Travis replied yes, he would have to check with the architects and make sure that we have those numbers correct before our City Council meeting, but our intent is to use a lot of Class 1 materials, a lot of glass and stone. We'll have to revisit those percentages.

EDA Member Tschida stated fair enough, that just didn't make any sense.

Travis stated we figured the more Class 1 materials, the better; it's understood we can't go more than 100%.

EDA Member Scott had a question about traffic. She knows there's a lot of traffic in that area, and it was addressed in our packet. But, again, for people watching, there's a lot of traffic in that area, and she asked if we think that the traffic management there is enough to be able to handle that number of cars. She believes there are 144 units in that building.

Administrator Levitt replied that's a great question, it's one that's always asked when we see increased development in those kinds of lots. She knows the Planning Commission got a more-detailed analysis with the engineers talking about the traffic. When you look at that local street, the fact is that the street itself that it feeds onto can support those 144 units. Even if you assume five trips per day from each of them, which would be equivalent to a single-family residential property, if you get out onto Hardwood, Hardwood has average daily traffic that can support over 15,000 cars a day, and we haven't hit that. The engineers will tell you, though, that we are closely monitoring the Hardwood Court intersection on Hardwood. As we see, and as EDA President Bailey mentioned, Chase Bank will be feeding into that. If we have any congestion or backups related to that traffic signal, she'll also say that we'll see an improvement at Hardwood and 80th in 2026, as we make improvements to 80th Street and the lane configuration there. So, given all of those improvements, we don't anticipate that this project would cause any negative traffic impact at this time.

**Recommendation, by motion:**

**A) Adopt Resolution 2024-01 approving a modification to the Development Program for Development District No. 1 and adopting a Tax Increment Financing Plan for Tax Increment Financing District No. 1-21 (Roers). B) Approve Resolution 2024-02 authorizing an Interfund Loan for the advance of certain costs in connection with Tax Increment Financing District No. 1-21 (Roers). C) Authorize the contract for private development by and between the Cottage Grove Economic Development Authority and Roers Cottage Grove Apartments, LLC, substantially in the form attached.**

**EDA Vice President Olsen made a motion that we Adopt Resolution 2024-01 approving a modification to the Development Program for Development District No. 1 and adopting a Tax Increment Financing Plan for Tax Increment Financing District No. 1-21 (Roers); in**

**addition, he made a motion to Approve Resolution 2024-02 authorizing an Interfund Loan for the advance of certain costs in connection with Tax Increment Financing District No. 1-21 (Roers); finally, he made a motion to authorize the Contract for Private Development by and between the Cottage Grove Economic Development Authority and Roers Cottage Grove Apartments, LLC, substantially in the form attached. Motion was seconded by EDA Member Jean-Baptiste. Motion passed (6-to-1 vote); nay vote by EDA Member Tschida.**

#### **4.4 Dowdle Art Program**

Director Larson stated we have some updates since our last meeting; we had a City Council Workshop on January 3, 2024, and the list of 20 unique people and 50 places and things to include in the painting was presented to the Council for consideration. The Council reviewed and finalized the list.

Next Steps: Staff is working with the departments to gather photos of the people/places/things for use by the Dowdle team. Our GIS technician will create a map that will notate all the places and things to help the Dowdle team visualize how these elements might work together. We are also gathering historical information about the people/places/things that may no longer exist, like the Cottage View Drive-In, but are important to tell the story of the City as it is translated into the painting.

Two days later, January 5, the staff met with the Dowdle team and provided them with a list of people, places, and things to be included in the painting.

We have confirmed that the artist, Eric Dowdle, will visit Cottage Grove from January 16-18:

- January 16: Select visits (Hope Glen, Ice Arena, Shepard Farm)
- January 17: Tour of the City with key staff mid-morning
- January 18: Eric to meet with the Council, Boards and Commissions, staff, and other people who are proposed to be in the painting, at a breakfast meeting from 8:00 a.m. to 10:00 a.m. at River Oaks; so, Eric will be able to hear from all of you about the painting, the City, why we're unique, special, interesting, fun, and he really enjoys doing that.

In between all of this, Eric will do a little bit of going around the City on his own, talking to people, just walking around, thinking about things.

Staff will meet the week of January 15 to discuss the marketing plan and a point-of-sale system to assist in selling the puzzles, for the cost-recovery portion of that. We will continue to provide updates and report back to you on milestones as we work towards the unveiling event, slated for June 13 at River Oaks. Director Larson stated she'd be happy to answer any questions, but noted things are moving along quite rapidly.

EDA President Bailey stated the Council met at the workshop last week to try to pare down who and what was going to be in the painting, what things we want to highlight, but, of course, Eric will be the one to put it all together and share it with us. EDA President Bailey encouraged the EDA Members if they had thoughts and wanted to share ideas, they should plan to attend

the breakfast meeting at River Oaks. You can then hear and see what he does, and it will be fun to kind of see this come to life in a puzzle highlighting what Cottage Grove has to offer.

EDA Member Tschida stated looking at the list of people, he can't help but notice that six of the first seven on the list are current elected officials. He doesn't want the impression that this is a City-funded reelection piece. He knows two of you are sitting here, so he doesn't want you to feel he's attacking you, but he was hoping that's not what this would be when we approved it last month. He was hoping it would be more of a look into our past and our history and who we are. So, he guesses that's not something he's thrilled about.

Administrator Levitt stated obviously that was a lengthy conversation that we had with the Council. One of the questions that they asked us, as staff, was to give them feedback from what other cities had done across the country. What we'd noticed as a trend was that the current Council was present. We also noted in that workshop session that the decision to include themselves was one of the very last items that they considered. There is the thought of the historical people vs. the historical place; for example, if we choose the Cedarhurst Mansion as the place, do you also have the people associated with it, or do you provide more diversity. So, the thought process was if we're identifying the historical place, and we could tell the story and the people behind the place, we would not add the people, so that you could have more diversity of people and places that represented Cottage Grove. So, that was the direction in regard to that. You'll see more of like the Historic Furber Farm, and so then you wouldn't necessarily have the people associated with the Furber Farm because the farm is represented. So, that was the thought process behind it, similar to how we talk about our agricultural heritage, if the farm is represented vs. the people. So, those were the thought processes between how we tried to maximize telling our story in the places and the people.

EDA Vice President Olsen stated he thinks it's a relevant topic of conversation because he also brought that forth in the Workshop. He wasn't so sure that having the four faces of the current City Council in the puzzle was necessary, although he advocated for having Mayor Bailey absolutely be part of it. One of the reasons for that is Mayor Bailey is currently tied with former Mayor Sandy Shiely for the longest-serving mayor in the history of our City, which has dramatic historical significance; should Mayor Bailey choose to run again this year, which he hopes he does, and is successful, he will be the longest-serving mayor in the history of Cottage Grove. So, he thinks it absolutely makes sense to have Mayor Bailey be part of the puzzle. In terms of the City Council members, when he brought that up in the meeting and said, boy, I just don't know, the response Administrator Levitt just gave you is exactly what staff gave, that's been sort of a common thing. It's similar to if you walk into a building, like this one, and you see the nameplate on the side with the name of the Mayor and the Council Members, who ratified the agreement to build this building; it also indicates when the building was built, etc. So, there's this push and pull between historical significance, which certainly can be modern history, because several of the items that we chose are from our past and several are from our present; this puzzle will last for perpetuity, its not going to be something that we just have for a year, we're going to have the rights to it forever. So, there may be some more dialogue to have on that, potentially, but he thinks for the most part, that turkey is cooked. When Eric comes to town, we can certainly also ask for his opinion on that. There are several people, who are currently part of the Council, who've been there for quite some time. So, it might also be a worthwhile conversation to have about the historical significance of that, but he thinks that the issue itself is a tough one; that's why he brought it up in the Workshop for discussion. He tends to lean toward trusting the staff recommendation, for the most part for

whatever we do, and we're always asking questions and trying to get to the bottom of why. But if there's a reasonable or logical rationale, that is generally the way that he leans, but he wanted to acknowledge that it was a fair question.

EDA President Bailey asked EDA Member Tschida if he wanted to add anything to that. EDA Member Tschida replied no, he understands what your arguments are, he just doesn't love it. EDA President Bailey stated that's fine; as EDA Vice President Olsen just said, he wasn't advocating for himself, personally. EDA Vice President Olsen confirmed that he was the one who had advocated for Mayor Bailey in that Workshop.

EDA President Bailey stated should all the names eventually come to fruition, we included three of the five current royalty for the Ambassadors of Cottage Grove; there's also a limit on how many people and things that we can have. Secondly, we looked at the size of the people on the puzzle (the names are going to be on the back of it or on the ledger), and he doubts that you're going to say, oh, there's Mayor Bailey, or anybody else on there. We also included former County Commissioner, Myra Peterson, who served for a very long time, as well as our current County Commissioner, Karla Bigham, as she previously served on the Council, as a State Senator, etc. We decided there were certain people who were also born and raised in Cottage Grove, etc., similar to himself. So, we debated quite a bit about the people we chose to be on there.

#### **4.5 Business Retention and Expansion Program - Draft Plan**

Director Larson stated the Business Retention and Expansion Program (BR&E) is to retain existing businesses and help businesses expand within our community. The first official BR&E was started in 2017, in partnership with the University of Minnesota.

After the original study in 2017 was concluded, the Economic Development team continued with the program by creating work plans and priorities for the years 2018-2021. Even with the COVID crisis, which caused enormous interruptions in workflows, the team still managed to keep the program moving forward by doing surveys and those types of things.

In 2022 and 2023, changes in staffing and other projects delayed the official BR&E program visits and annual review. Now that the numerous staffing changes have been resolved, it is time to resume the BR&E work in 2024. Staff proposes to review the current program with the Board, what's been done in the past and what we think should be done going forward, in a workshop setting at the February 13 meeting.

Director Larson stated this is a report only. We encourage you to read your packet in detail about the Draft Plan that's in there. We'll give you a lot of historical information at the next meeting so that you can see how you would fit into that plan, if you also decided to go on the visits with us. It's really all about matching people with the visits. She stated she'd be happy to answer any questions.

EDA President Bailey stated we've been doing this for a while now. As the EDA wants to bring new businesses to town, we also want to make sure that the existing businesses are being sustained; we at least need to know what needs they have so that we can try to address those.

Director Larson stated yes, we want to hear from all of you at that workshop.

#### **5 PUBLIC HEARINGS - None.**

## **OTHER BUSINESS**

### **6.1 EDA Calendar**

EDA President Bailey stated each of you has the EDA Calendar.

### **6.2 EDA Comments**

EDA President Bailey noted he discussed with staff that, from a term standpoint, we would have two outgoing Board Members; however, due to term changes made due to COVID, they will stay on the Board for this next year and thanked them for continuing to stay on the Board.

### **6.3 Response to Previous EDA Comments - None.**

## **7 WORKSHOP - None.**

## **8 ADJOURNMENT**

**EDA Vice President Olsen made a motion to adjourn. Motion was seconded by EDA Member Scott. Motion passed unanimously (7-to-0 vote). The meeting was adjourned at 8:04 a.m.**

Respectfully submitted,

Gretchen Larson, Economic Development Director

/jag



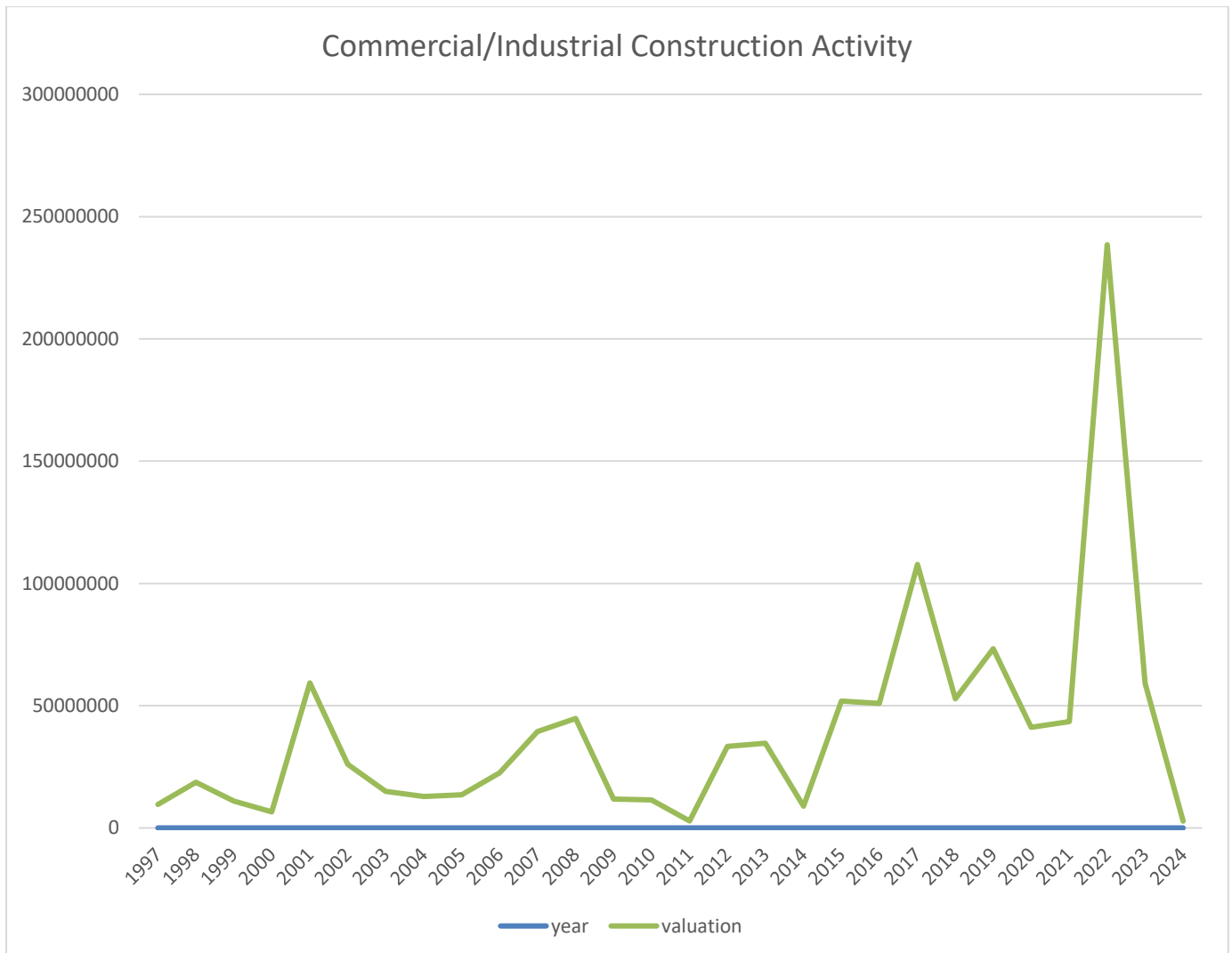
**TO:** Economic Development Authority  
**FROM:** Emily Schmitz, Community Development Director  
**DATE:** February 7, 2024  
**RE:** Development Update

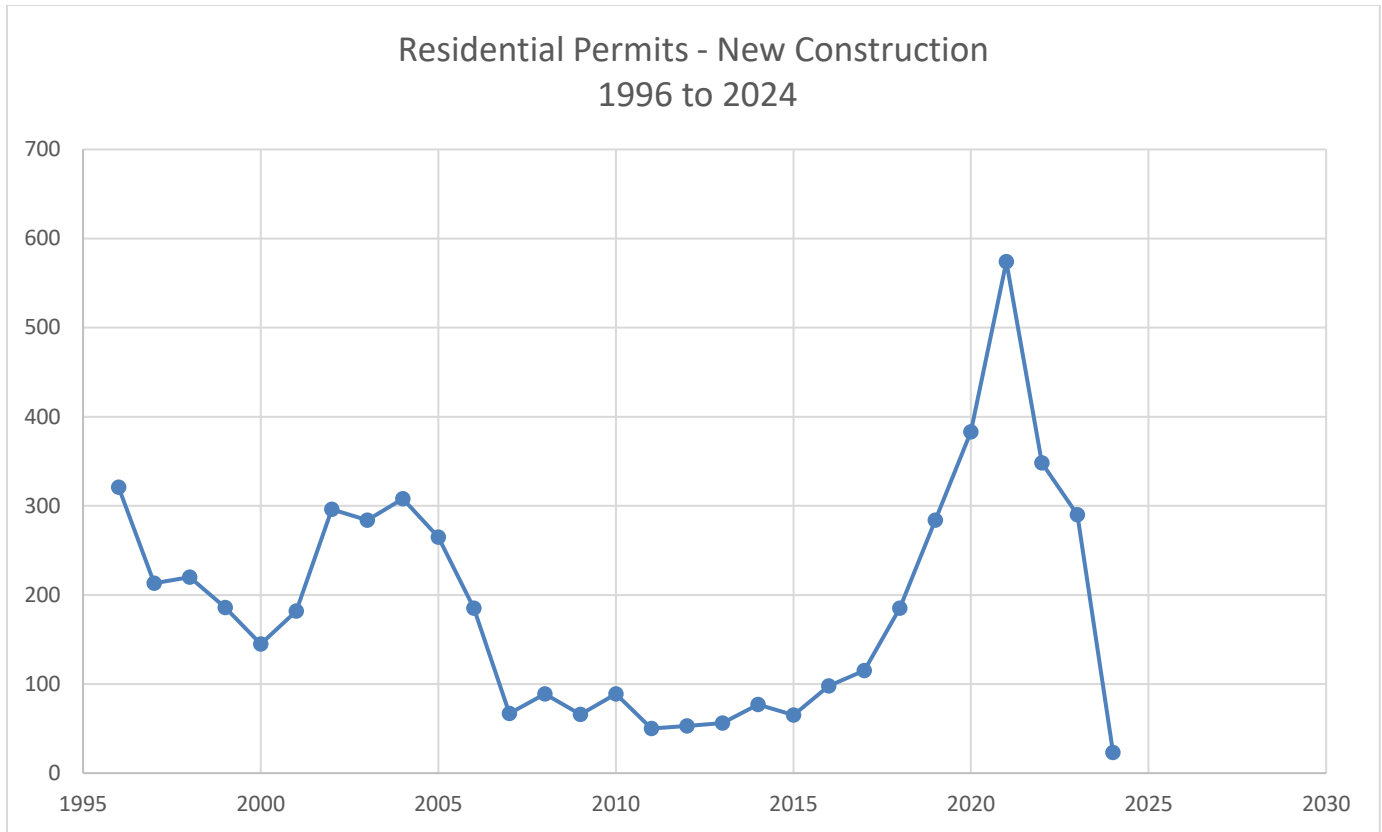
---

## Building Permits

### Building Permit Statistics:

Building Permit Statistics: Between January 1 and January 31, there were 291 building permits issued with a total valuation of \$12,182,291, including 17 single-family homes valued at \$6,313,674 and 6 townhomes valued at \$1,708,810.





## Current Project Updates

### **Building Construction Projects**

Lumbermen's: The permit for additional office space in the speculative office at 7601 100th Street has been issued.

Hemingway Industrial Center: Temporary Certificate of Occupancies have been issued for both buildings. Final approval is needed from Planning and Engineering for a full CO.

Low Zone Water Treatment Plant: Work on the footing/slab and poured wall continues. Plumbing underground work has begun.

Public Works Utility & Engineering Building: Plans have been submitted for this new building that will be located at 10875 Ideal Avenue

### 3M Projects:

- Building #150 – Steel columns and beam work are near completion for the addition to Building #150. Process piping and filtration systems are nearing completion and final inspections will be starting in the near months.
- Building #151 – Installation of process piping continues.
- Construction work continues for all five pump houses as part of Bid Pack #6 (pump houses and processing piping) and new clarifiers as part of their water treatment processing.
- The first of many demolition permits for the incinerator has been submitted for the removal of the equipment and tearing down of the building.

Hohenstein's: Construction of the roofing steel work continues. The permit for the interior office space has been submitted for review.



Chase Bank: Footing and foundation walls have been completed.

Dunkin'/Baskin Robbins: Finishing work continues for the tenant buildout project.

O2B Kids: Framing continues with the plumbing underground work completed.

Norhart Apartments: Plans have been submitted for the new apartment building located at 10251 Hadley Avenue.

Trellis (Bluestem) Apartments: Plans are under review for the Trellis apartment building to be located next to Dunkin' Donuts.

Dodge Nature Center - Shepard Farm: A Temporary Certificate of Occupancy has been granted. Approval of the fire alarm will complete the project for a full CO.

Glacial Valley Park: The Certificate of Occupancy has been issued.

## **Planning Division**

### **January Planning Commission Meeting:**

The Planning Commission met on January 22, 2024, and reviewed the following applications:

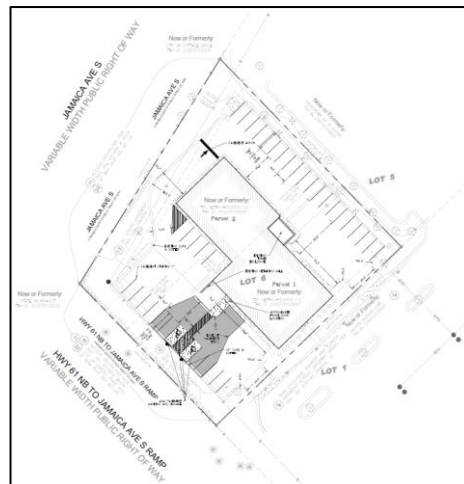
**Holcim Mining Permit – MP2024-002:** Holcim MWR, Inc. has submitted their annual mining permit application to continue mining and processing aggregate materials in the Nelson Sand and Gravel Facility located at 11250 Grey Cloud Trail. The Planning Commission had no questions or discussions on this application. On a unanimous vote of 6-to-0, they recommended approval. The City Council will take final action at their meeting on February 7.



**Discount Tire – CUP2024-001:** Halle Properties, LLC (Applicant) has submitted an application for a Conditional Use Permit (CUP) at 8647/8649 East Point Douglas Road South. The Applicant is proposing to utilize the existing building and site layout for a minor automobile repair use onsite. There was a question from the Commission asking if there was a conditional use permit from the prior use; it was noted that the zoning ordinance had changed since the automotive repair use on the site was first approved, which now requires a CUP. No one spoke at the public hearing. The Planning Commission, on a unanimous vote (6-to-0) recommended approval. This application will be on the City Council agenda for February 7.



**Location Map**

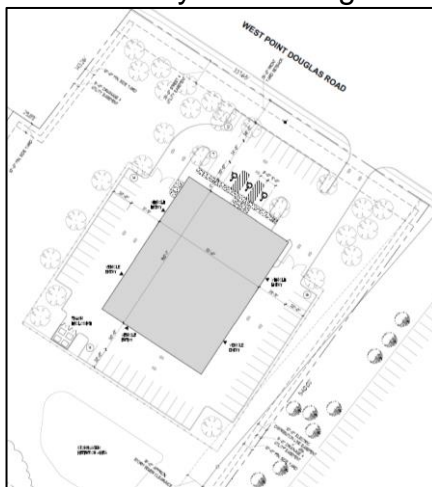


**Proposed Site Plan**

Gerber Collision – SP2024-005 and CUP2024-005: Gerber Collision & Glass, LLC has applied for a Site Plan Review and Conditional Use Permit to construct a 16,940 square foot auto collision and glass repair service at 7300 West Point Douglas Road South. No one from the public spoke at the public hearing. The Planning Commission voted unanimously (6-to-0) to recommend approval. Final action will be taken by the City Council at their February 21 meeting.

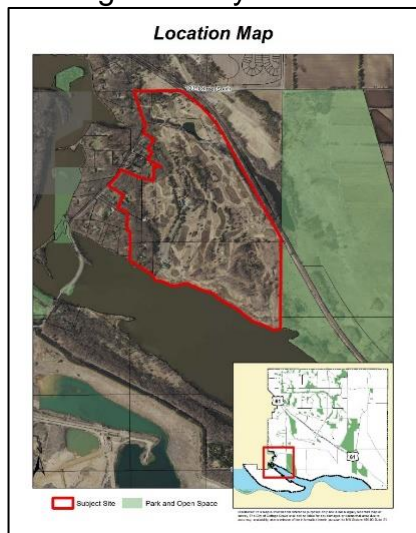


**Location Map**



**Proposed Site Plan**

Mississippi Landing – PP2024-003: Rachel Development, Inc. has applied for a preliminary plat to be called Mississippi Landing for a subdivision consisting of 377 single-family lots that will be located on the former Mississippi Dunes Golf Course site. Testimony was received from the public during the public hearing. Correspondence received prior to and at the meeting was entered into the public record. The majority of the comments were focused on the potential environmental impacts to the area. The developer’s environmental consultant provided clarifications on the existing habitats on the site as outlined in the rare species and plant studies that was completed. Staff and the City Attorney responded to many of the questions and comments. Commissioners asked about the previous use of the property, the Department of the Interior response, reason for the number of proposed homes, and how to weigh differing opinions on environmental impacts. Following discussion, the Planning Commission unanimously (6-to-0 vote) recommended approval of the preliminary plat for Mississippi Landing. The City Council will take final action on this application at their meeting on February 21.



**Location Map**

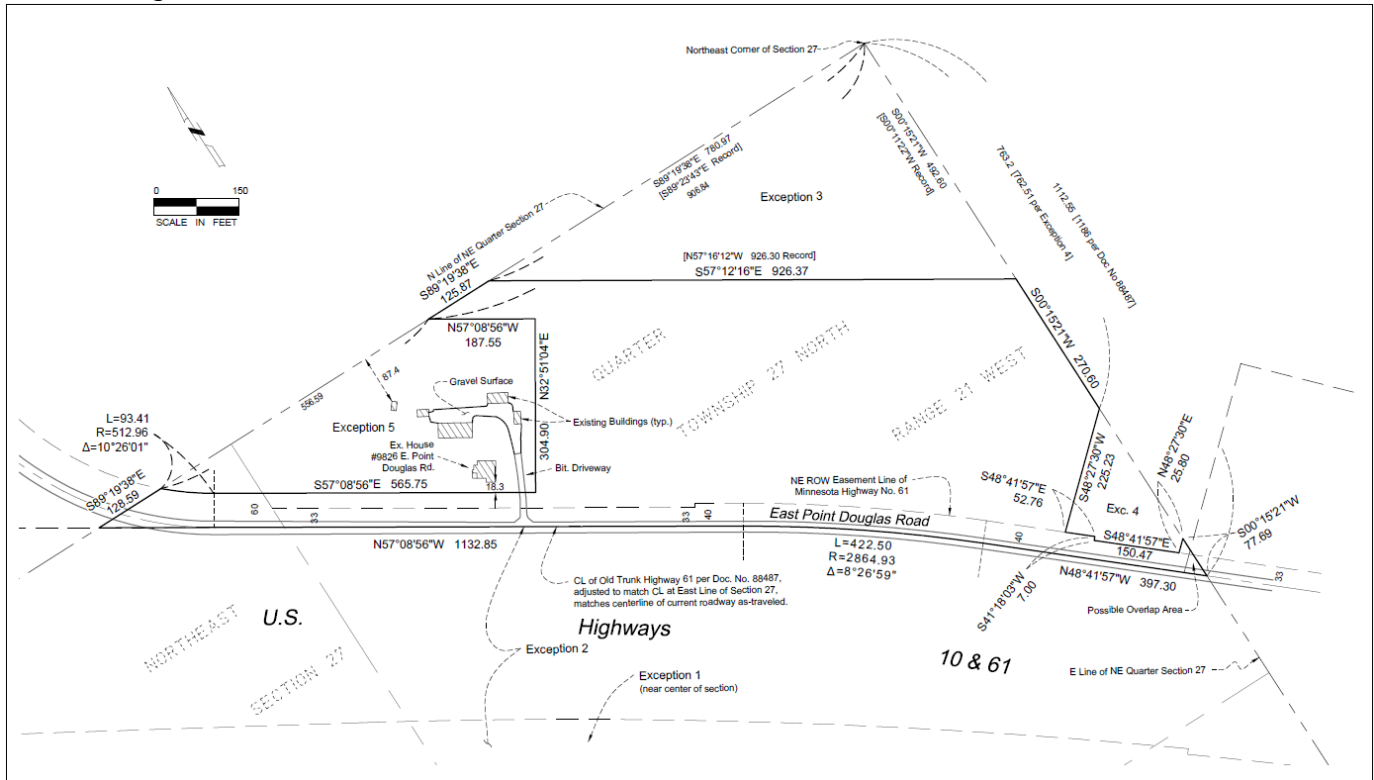


**Proposed Preliminary Plat**

**February 26, 2024, Planning Commission Meeting**

The following applications were received for the February 26, 2024, Planning Commission Meeting:

**Lot Split at 9826 East Point Douglas Road – MS2024-006:** Al Stewart has applied for a minor subdivision to subdivide the existing 13.95-acre parcel located at 9826 East Point Douglas Road into three separate parcels. The applicant is proposing to create a 3-acre parcel for the existing R-1, Rural Residential, property; a 2.48-acre parcel along East Point Douglas Road for right of way dedication; and an 8.48-acre parcel to be acquired by Washington County for the expansion of the Cottage Grove Ravine Regional Park.





## Federal Reserve Bank of Minneapolis

### Summary of Economic Activity

The Ninth District economy contracted slightly since the previous report. Respondents to a December survey of business conditions reported declining demand and profits from the previous month. Employment grew modestly, but job openings were flat or lower for most contacts. Wage pressures continued to moderate, while price increases were mild. Consumer spending increased and holiday sales traffic was generally strong, while commercial real estate activity, agricultural conditions, and energy were flat. Construction and manufacturing activity fell, and residential real estate remained subdued. Minority- and women-owned businesses reported decreased activity.

### Labor Markets

Employment grew modestly since the last report. Overall hiring was still positive, but job openings were either flat or lower for most contacts. In Montana, the number of brand-new job postings fell notably in December compared with the previous month and year. District staffing contacts also reported that December job openings were generally flat or lower. Bank surveys showed that recent hiring demand slowed but future demand was expected to rise. Indexes of hiring sentiment in Minnesota and the Dakotas were mostly stable; one was modestly expansionary, and the other slightly contractionary. Contacts widely reported that labor supply had improved somewhat; more firms reported being closer to fully staffed and being more selective in hiring. A Montana staffing contact added, “We are seeing more clients settling in with who they have and not hiring unless the candidate is perfect.” A Wisconsin staffing contact said that businesses were “getting more selective on who they hire . . . [and] contacting us to do confidential recruiting to replace underperforming employees.”

Wage pressures continued to moderate, nearing pre-pandemic conditions. Staffing contacts in Montana, North Dakota, and Wisconsin said wage pressures were flattening and one-time wage enhancements were falling. A mid-sized Minnesota health care provider gave a wage increase of three percent, its lowest since before the pandemic: “Wage growth is finally slowing.”

## Prices

Price increases were mild since the last report. A substantial majority of firms responding to a monthly survey indicated no change to the prices they charged to customers in December from a month earlier, though most of the remainder indicated that they increased prices. Input price pressures were slightly greater, but most respondents also reported no change over the month. A regional manufacturing index indicated modest input price increases in December. Retail fuel prices in District states fell to their lowest levels in more than two years. Home heating costs were expected to be significantly lower this winter than last.

## Worker Experience

Unemployed workers in Montana shared they were mainly focused on pay, benefits, and upward mobility as they searched for jobs. The difficulties they faced gaining employment were mostly due to skills gaps, but they also cited other factors, such as low pay and child care affordability. Employed workers who were looking for different jobs also faced a range of challenges. A single mother working in the nonprofit sector who has been trying to switch jobs for almost a year said that balancing her children's schedules, her own job, and household chores left her with little time to search and apply. A labor contact in the Upper Peninsula of Michigan shared that the exodus of public sector workers to the private sector had slowed. They said that high food prices in the area, particularly for meat, continued to stretch workers' budgets. "I am hearing our union members talk more about starting to raise chickens and ducks . . . I am seeing more self-serve egg stands along the road," they added.

## Consumer Spending

Consumer spending rose moderately since the last report. Contacts reported that traffic and spending during the holidays was generally higher. A retail industry contact in Minnesota said this year's holiday season exceeded expectations for many and "felt very much like a pre-pandemic holiday season." A Minnesota mall contact said December traffic was about 15 percent higher than last year, with some days exceeding pre-pandemic levels. Sales at movie theatres, restaurants, and other food retailers were reportedly strong. A South Dakota retail contact noted that traffic was down in many places there, but overall spending was flat or slightly higher. Unseasonably warm weather helped get shoppers out to many stores, but sales of winter gear and equipment were negatively affected. Montana's lodging sector continued to see strong activity, but occupancy and revenue at Minnesota hotels were down slightly. New car and truck sales were higher in December at a District dealer with multiple locations.

## Construction and Real Estate

Construction activity was lower overall since the last report. Among roughly two dozen construction contacts, recent sales were lower and profits have been particularly hard hit. Recent hiring demand has fallen somewhat, but sentiment was modestly more positive for the early part of 2024. Among sectors, firms in infrastructure continued to fare better thanks to federal spending. November and December commercial permitting was generally flat or lower in the District's larger markets compared with a year earlier. Residential building was constrained in many markets, but single-family permitting in Minneapolis-St. Paul saw sustained increases for several months, including December.

Commercial real estate was flat overall. Vacancy rates for industrial space have ticked higher thanks to significant speculative building in the last year. Office markets remained soft, and reports of tenant concessions were rising. Retail vacancy has improved modestly thanks to stronger foot-traffic trends and lower levels of new construction. Residential real estate remained subdued, with year-over-year sales continuing to decline in November and December.

## Manufacturing

District manufacturing activity decreased moderately since the last report. Preliminary results from a manufacturing survey found a substantial decrease in orders, production, and profits in 2023 from the prior year, though capital investment increased. Expectations for 2024 were mildly optimistic. Manufacturing sector respondents to a monthly survey reported sharply decreased sales in December from a month earlier. In contrast, a regional manufacturing index increased to levels indicating an expansion in activity in Minnesota, North Dakota, and South Dakota in December from a month earlier, though new orders decreased.

## Agriculture, Energy, and Natural Resources

District agricultural conditions were unchanged since the last report. Contacts across the region gave differing reports about farm incomes. Contacts generally agreed incomes were down substantially from a year ago, though some indicated they were stronger than expected. District oil and gas drilling activity was stable since the previous report, and industry contacts reported that production increased modestly. District iron ore mines continued to operate at capacity.

## Minority- and Women-Owned Business Enterprises

Activity among minority- and women-owned business enterprises (MWBE) was lower on balance. Most businesses reported lower sales activity in the recent four-week period. A Minnesota retailer believed that diminished discretionary income among consumers was the main reason behind

lower sales. Labor and nonlabor costs as well as final selling prices were slightly higher on balance. Some expected price pressures to extend into next month. "It is extremely hard to keep up with wage and benefit pressures and competition for good, qualified and experienced therapists in this market," commented a health care contact. Profits continued to edge lower among half of MWBEs; a slightly lower share expected profits to remain low over the following weeks.

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

TO: Economic Development Authority  
Jennifer Levitt, EDA Executive Director

FROM: Gretchen Larson, Economic Development Director

DATE: February 9, 2024

RE: First Amendment to the Purchase Agreement – Kwik Trip

---

The Economic Development Authority entered into agreements with WAG Farms and Kwik Trip in October 2023 for the purchase and sale of the vacant parcel located at 95<sup>th</sup> Street South and Jamaica Avenue South. The vacant parcel and sale is approximately 6.76 acres and has a purchase price of \$1,598,944.95.



In January, representatives from Kwik Trip, Inc. requested an extension of the closing date from April 1, 2024, to November 29, 2024, due to uncontrollable circumstances, as they need more time to complete their project plans and conduct needed due diligence. WAG Farms has agreed to the extension. Additional earnest money in the amount of \$10,000 will be required for this extension and WAG Farms has agreed to the extension.

## **Recommendation**

Adopt Resolution 2024-01 consenting to the First Amendment to the Purchase Agreement between WAG Farms and the EDA and the First Amendment to the Purchase Agreement between the EDA and Kwik Trip, Inc. subject to minor modification as approved by the City Attorney.

## **Attachments**

Resolution 2024-01  
First Amendment to the Purchase Agreement with WAG Farms  
First Amendment to the Purchase Agreement with Kwik Trip

CITY OF COTTAGE GROVE, MINNESOTA  
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION 2024-01

**A RESOLUTION APPROVING THE FIRST AMENDMENT TO  
PURCHASE AGREEMENT BY AND BETWEEN GLENDENNING FARMS, L.P., WAG  
FARMS, INC. AND JOAN GLENDENNING KENNEDY FAMILY LIMITED  
PARTNERSHIP AND COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY  
AND  
THE FIRST AMENDMENT TO PURCHASE AGREEMENT BY AND BETWEEN THE  
COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY  
AND KWIK TRIP, INC.**

**WHEREAS**, on August 29, 2023, the Cottage Grove Economic Development Authority (“EDA”) by and through Resolution No. 2023-04, after a public hearing, approved the purchase of real property from Glendenning Farms, L.P., WAG Farms, Inc. and Joan Glendenning Kennedy Family Limited Partnership (“WAG”), and sale of the same property to Kwik Trip, Inc. (“Developer”), which is legally described as follows:

Lot 1, Block 2, Lake Flora Second Addition

*Abstract Property*

**WHEREAS**, the Purchase Agreement with Developer was executed by Developer and effective on October 6, 2023; and

**WHEREAS**, the Developer has requested an extension of the Closing Date to November 29, 2024, due to uncontrollable circumstances; and

**WHEREAS**, the EDA has requested the same extension of the Closing Date to November 29, 2024, due to uncontrollable circumstances; and

**WHEREAS**, the EDA and WAG, respectively, agree to the extension.

**NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners of the Cottage Grove Economic Development Authority as follows:

1. The First Amendment to Purchase Agreement by and between WAG and EDA is hereby approved, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.
2. The First Amendment to Purchase Agreement by and between EDA and Developer is hereby approved, subject to minor modification as approved by the City Attorney, and the appropriate officials are authorized to take such action as to effectuate its execution and implementation.

Adopted this 13<sup>th</sup> day of February 2024.

Attest:

\_\_\_\_\_  
Myron Bailey, President

\_\_\_\_\_  
Jennifer Levitt, Executive Director

## FIRST AMENDMENT TO PURCHASE AGREEMENT

**THIS FIRST AMENDMENT TO PURCHASE AGREEMENT** (this “First Amendment”) is entered into as of \_\_\_\_\_, 2024 (the “Effective Date”), by and between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“EDA”), and Glendenning Farms, L.P., a Minnesota limited partnership, WAG Farms, Inc., a Minnesota corporation and Joan Glendenning Kennedy Family Limited Partnership, a Minnesota limited partnership (individually and collectively “WAG”).

### RECITALS

**Recital No. 1.** EDA and WAG Farms entered into a Purchase Agreement dated August 29, 2023 (“Agreement”), for property described on Exhibit A to the Agreement.

**Recital No. 2.** Pursuant to the Agreement, the Closing is to occur on or before April 1, 2024, and allows the EDA one extension of sixty (60) days.

**Recital No. 3.** The EDA has requested an extension of the Closing Date, beyond the extension period, to November 29, 2024.

**Recital No. 4.** WAG Farms does not object to extension.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants of each to the other contained in this First Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The entire Agreement is hereby incorporated into the First Amendment, except as modified below.
2. Section 6 of the Agreement shall be removed in its entirety and replaced with the following:
  6. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall occur on or before November 29, 2024 (the “Closing Date”), unless otherwise agreed to by the parties. WAG agrees to deliver legal and actual possession of the Property to EDA on the Closing Date.
3. Except as provided for above, the terms and provisions of the Agreement shall remain in full force and effect.
4. This First Amendment and all disputes or controversies arising out of or relating to this First Amendment, or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard

to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.

5. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Developer or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statutes, Chapter 466.
6. This First Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
7. This First Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

**[remainder of page intentionally blank]**

**IN AGREEMENT**, the parties hereto have hereunto set their hands as of the date hereinbefore first written.

**COTTAGE GROVE ECONOMIC  
DEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
Myron Bailey  
Its President

By \_\_\_\_\_  
Jennifer Levitt  
Its Executive Director

**WAG FARMS, INC.**

By: \_\_\_\_\_  
William G. Glendenning  
Its: President

**GLENDENNING FARMS, L.P.**

By: \_\_\_\_\_  
William G. Glendenning  
Its: General Partner

**JOAN GLENNING KENNEDY  
FAMILY LIMITED PARTNERSHIP**

By: \_\_\_\_\_  
William S. Kennedy, Jr.  
Its: General Partner

## FIRST AMENDMENT TO PURCHASE AGREEMENT

**THIS FIRST AMENDMENT TO PURCHASE AGREEMENT** (this “**First Amendment**”) is entered into as of February 13, 2024 (the “**Effective Date**”), by and between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“**EDA**” or “**Seller**”), and Kwik Trip, Inc., a Wisconsin corporation (“**Kwik Trip**” or “**Buyer**”).

### RECITALS

**Recital No. 1.** EDA and Kwik Trip entered into a Purchase Agreement dated October 6, 2023 (“**Purchase Agreement**”), for property described on Exhibit A to the Purchase Agreement.

**Recital No. 2.** Pursuant to the Agreement, the Closing is to occur on or before April 1, 2024, and allows one extension of sixty (60) days, with an additional \$10,000 to be deposited as earnest money (“**Additional Earnest Money**”) at the time of the extension.

**Recital No. 3.** Kwik Trip has requested an extension of the Closing Date to November 29, 2024.

**Recital No. 4.** The EDA does not object to the extension of the Closing Date, on condition that the Additional Earnest Money in the sum of \$10,000 be deposited to be held in escrow by Title as set forth in the Agreement. If the parties proceed to Closing, all of the Original Earnest Money (\$20,000) and the Additional Earnest Money (\$10,000) will be applied to the Purchase Price.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants of each to the other contained in this First Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The entire Purchase Agreement is hereby incorporated into the First Amendment, except as modified below.
2. Section 1 of the Purchase Agreement shall be removed and replaced in its entirety as follows:
  1. Sale.
    - 1.1. **Sale.** Subject to the terms and provisions of this Agreement, EDA shall sell the Property to Kwik Trip, and Kwik Trip shall purchase the Property from EDA free and clear of all defects, liens and encumbrances.
    - 1.2. **Purchase Price.** The purchase price to be paid by Kwik Trip to EDA for the Property shall be Five and 43/100 Dollars (\$5.43) per square foot multiplied by Two Hundred Ninety-four Thousand Four Hundred Sixty-five (294,465) square feet as finally

determined by the Survey (as defined below) (the “**Purchase Price**”). The Purchase Price of One Million Five Hundred Thousand Ninety-Eight, Nine Hundred Forty-Four and 95/100 Dollars (\$1,598,944.95) shall be payable as follows: (a) Twenty Thousand and No/100 Dollars (\$20,000.00), as earnest money, already paid to DCA Title, 750 Main St. Suite 208, Mendota Heights, MN 55118 (“**Title**”), held in escrow by Title (“**Original Earnest Money**”); and (b) Ten Thousand and 00/100s Dollars (\$10,000.00) as additional earnest money, to be paid within five (5) business days following the Effective Date of this First Amendment to Title, to be held in escrow by Title (“**Additional Earnest Money**”) and (c) the balance of the Purchase Price on the Closing Date (as defined in Section 6) subject to those adjustments, prorations and credits described in this Agreement, in certified funds or by wire transfer pursuant to instructions from EDA or Title.

1.3 **Soil on Outlot C.** As part of the sale of the Property, EDA agrees to allow Kwik Trip to clear and grub, strip fill material and remove approximately forty thousand (40,000) cubic yards of fill material from Outlot C, Lake Flora Second Addition. Kwik Trip may, but is not obligated to remove and use any fill material from Outlot C. EDA shall conduct borings on Outlot C and provide those results to Kwik Trip on or before November 1, 2023. If Kwik Trip elects to remove fill material from Outlot C, EDA will re-seed that location.

3. Section 6 of the Purchase Agreement shall be removed in its entirety and replaced with the following:

6. **Closing.** The closing of the purchase and sale contemplated by this Agreement (the “**Closing**”) shall occur on or before November 29, 2024 (the “**Closing Date**”) at Title. Kwik Trip requested and EDA granted an extension from the original closing date of April 1, 2024, therefore Kwik Trip shall deposit the Additional Earnest Money in the sum of \$10,000 with Title within five (5) business days of full execution of this First Amendment. The Original Earnest Money and Additional Earnest Money shall be referred to collectively as the “**Earnest Money.**” If the parties proceed to Closing, all of the Earnest Money will be applied to the Purchase Price. EDA agrees to deliver legal and actual possession of the Property to Kwik Trip on the Closing Date, as the same may be extended. If the parties do not proceed to Closing, all of the Earnest Money will be refunded to Buyer.

4. Section 6.1 of the Purchase Agreement shall be amended to add thereto the following subsection:

J. **Environmental Deliveries.** Any documentation requested by Buyer to demonstrate that the detection of diesel range organics (“DRO”) on the Property has been adequately addressed/remediated, consistent with the rules and regulations of the Minnesota Pollution Control Agency.

5. Except as provided for above, the terms and provisions of the Purchase Agreement shall remain in full force and effect.

6. This First Amendment and all disputes or controversies arising out of or relating to this First Amendment, or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.
7. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Developer or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statutes, Chapter 466.
8. This First Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
9. This First Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

**[The remainder of this page was intentionally left blank.]**

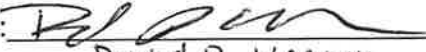
IN AGREEMENT, the parties hereto have hereunto set their hands as of the Effective Date.

**SELLER:  
COTTAGE GROVE ECONOMIC  
DEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
Myron Bailey  
Its President

By \_\_\_\_\_  
Jennifer Levitt  
Its Executive Director

**BUYER:**  
**KWIK TRIP, INC.**

By:   
Name: David P. Wagner  
Title: CEO and Treasurer



TO: Economic Development Authority  
Jennifer Levitt, EDA Executive Director

FROM: Gretchen Larson, Economic Development Director

DATE: February 9, 2024

RE: Dowdle Art Project – Amendment to the Services Agreement

---

## Background

At the December 2023 EDA meeting, the board approved an agreement with Dowdle Art Studios to participate in their “Land That I Love” tour for America’s 250th birthday starting in 2026.

The painting portion of the project has two major components, creation of an original 32” x 40” painting by Artist Eric Dowdle, along with creation of a Canvas Giclee Framed Puzzle to be used at the unveiling event. Fees to Dowdle for these items is \$75,000 and is to be paid in three installments 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 due by 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, at an agreed to unveiling day of June 13, 2024.

In addition to the painting, staff recommend the purchase of 3,000 puzzles which will be sold at events over a 12-month period to help offset some of the costs of the project. Payment for the puzzles was to be paid 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 on the unveiling day of June 13, 2024.

In January city staff visited with Eric and his staff about the timing of the project and tasks to be completed. In the ensuing discussion it was clear that in order to deliver the painting and associated items in a timely manner, the team at Dowdle would need to extend the delivery date.

The attached amendment to the original professional services agreement has the following changes for the board to consider. Original Art, Canvas Giclee Framed Puzzle, and the puzzles to be sold, are due September 14, 2024 which is also the new unveiling date. As a result of these changes the payment (deposit) of \$18,750 for the puzzles to be sold will change from April 1 to July 1 and the final payments due to the team at Dowdle for the original painting, Giclee puzzle, and the second payment for the puzzles to be sold, is due five days after the delivery date of all items on September 14, 2024.

Staff notes that the second \$25,000 payment to the artist for the painting will not change as Eric has agreed to meet the already agreed to March 15, 2024 deadline for the concept art. In addition, if the amendment is approved, the unveiling location will also change from River Oaks to Kingston Park. September 14 is also the date of the Discover Cottage Grove Food Truck Festival, and we are proposing to have the unveiling event there so the public can participate in the event.

Changing the unveiling date also changes the 1-year period in which we can sell the puzzles to September 14, 2024 to September 14, 2025.

**Recommendation**

Approve the attached amendment to the professional services agreement with Dowdle Studios, LLC to move the final project completion date to September 14, 2024.

**Attachments**

Amendment to professional services agreement with Dowdle Studios, LLC

## AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

**THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT** (this “Amendment”) is entered into as of February 13, 2024 (the “Effective Date”), by and between the Cottage Grove Economic Development Authority, a public body corporate and politic under the laws of Minnesota (“EDA”) and Dowdle Studios, LLC (“Artist”).

### RECITALS

**WHEREAS**, EDA and Artist entered into a Professional Services Agreement dated December 12, 2023 (“Agreement”), for the design and creation of Original Art and Other Products, as defined therein; and

**WHEREAS**, pursuant to the Agreement, the Original Art and Other Products were to be delivered at an unveiling event on or before June 13, 2024; and

**WHEREAS**, pursuant to the Agreement, the first half of the payment for the Other Products was to be made on April 1, 2024 with the balance within five (5) days after delivery; and

**WHEREAS**, the parties mutually agree to an extension of the delivery date and the unveiling event and the extension of the first half payment for the Other Products.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants of each to the other contained in this Amendment and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do covenant and agree as follows:

1. The entire Agreement is hereby incorporated into the Amendment, except as modified below.
2. Section 1.j. of the Agreement shall be removed and replaced in its entirety as follows:
  - 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 **September 14, 2024** (“Unveiling Day”) unless otherwise agreed to by the parties in writing.
3. Section 2.b. of the Agreement shall be removed and replaced in its entirety as follows:
  - b. Other Products: EDA agrees to pay Artist Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) on **July 1, 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.

4. Except as provided for above, the terms and provisions of the Agreement shall remain in full force and effect.
5. This Amendment and all disputes or controversies arising out of or relating to this Amendment, or the transactions contemplated hereby shall be governed by, and construed in accordance with, the internal laws of the State of Minnesota, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Minnesota.
6. Nothing contained herein shall be deemed a waiver by the EDA of any governmental immunity defenses, statutory or otherwise. Further, any and all claims brought by Artist or its successors or assigns, shall be subject to any governmental immunity defenses of the EDA and the maximum liability limits provided by Minnesota Statutes, Chapter 466.
7. This Amendment may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by the parties and delivered to the other parties.
8. This Amendment shall not be amended, modified or supplemented, except by a written instrument signed by an authorized representative of each party.

**[The remainder of this page was intentionally left blank.]**

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, Owner



City of Cottage Grove  
Calendar of Upcoming Events

<b>DATE</b>	<b>EVENT</b>	<b>TIME</b>	<b>LOCATION</b>
Wednesday, February 21, 2024	City Council Meeting	7:00 PM	Council Chambers
Monday, February 26, 2024	Planning Commission	7:00 PM	Council Chambers
Tuesday, February 27, 2024	Convention and Visitors Bureau	7:30 AM	Council Chambers
Wednesday, March 6, 2024	City Council Meeting	7:00 PM	Council Chambers
Monday, March 11, 2024	Parks and Recreation	7:00 PM	Council Chambers