



COTTAGE GROVE ECONOMIC  
DEVELOPMENT AUTHORITY

November 12, 2024

12800 RAVINE PARKWAY SOUTH  
COTTAGE GROVE, MN 55016

COUNCIL CHAMBER

- 7:30 AM

- 1 Call to Order
- 2 Pledge of Allegiance
- 3 Roll Call
- 4 Approval of Minutes
  - A September 10, 2024 Minutes  
*Staff Recommendation: Approve the Regular Meeting Minutes of September 10, 2024.*
- 5 Business Items
  - A Beige Book and Development Updates  
*Staff Recommendation: Receive Updates.*
  - B BRE Program Updates  
*Staff Recommendation: Receive Updates.*
  - C RFP for Selection of Internet Service Providers  
*Staff Recommendation: Approve the proposal from Hometown Fiber not to exceed \$19,772.00 with funds coming from the professional services line item in the 2025 EDA budget.*
  - D Property Appraisal  
*Staff Recommendation: Authorize the appraisal of 9430 East Point Douglas Rd. S in the amount of \$3,200 to be completed by BRKW Real Estate Valuation Services.*
- 6 Public Hearings
- 7 Other Business
- 8 Workshop
- 9 Presentations
- 10 Adjournment



## MINUTES

September 10 , 2024

### CITY OF COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY (EDA) MEETING

12800 Ravine Parkway South  
Cottage Grove, MN 55016

Pursuant to due call and notice thereof, a meeting of the Economic Development Authority was held on the 10th day of September, 2024, at 7:30 a.m.

#### 1. CALL TO ORDER

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

#### 2. PLEDGE OF ALLEGIANCE

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

#### 3. ROLL CALL

Administrative Specialist Alexa Anderson called the roll: EDA President Bailey-Absent; EDA Vice President Olsen-Here; EDA Member Carey-Here; EDA Member Jean-Baptiste-Arrived after Roll Call; EDA Member Myers-Absent; EDA Member Scott-Here; EDA Member Tschida-Here.

Members Absent: EDA President Bailey  
EDA Member Myers

Staff Present: Jennifer Levitt, City Administrator  
Gretchen Larson, Economic Development Director  
Brenda Malinowski, Finance Director  
Emily Schmitz, Community Development Director  
Alexa Anderson, Administrative Specialist  
Genevieve Tester, Graduate Engineer

Others Present: Laurie Levine, President and C.E.O. Cottage Grove Area Chamber of Commerce

#### 4. APPROVAL OF MINUTES

4.1 Approve the July 9, 2024 EDA Meeting Minutes.

**EDA Member Tschida made a motion to approve the July 9, 2024 EDA Meeting Minutes. Motion was seconded by EDA Member Jean-Baptiste. Motion passed unanimously (5-to-0 vote).**

#### 5. PRESENTATIONS

A. Beige Book Reports and Development Updates

Gretchen Larson, Economic Development Director, gave the Beige Book report for July and September: Employment: Grew modestly since the last report. Most workers surveyed stated they were satisfied with scheduled flexibility and work-life balances that they've been offered by their employers. Prices: Increased slightly; however, prices charged to the customer have not been adjusted so they weren't passed through. Consumer Spending: Was flat. Construction Activity: Has declined. Commercial Real Estate Activity: Vacancies remained flat. Office Market Sector: Is soft. Retail Vacancies: Improved. Residential Real Estate: Sales grew modestly. Manufacturing Activity: Decreased. Natural Resource Conditions: Weakened. Oil and Natural Gas Exploration: Remained unchanged. Minority and Women-Owned Businesses: Reported lower sales and profits continued to decline since the last report. So, the economy is a little soft right now, but we're still expecting it to rebound.

**Cottage Grove Construction Updates:** Trellis Bluestem Senior Complex: Fourth floor exterior and interior walls and roof framing are complete. Plumbing rough in continues for all floors. Installation of roof materials has begun; electricians have started the installation of the electrical boxes and main panels. Fire sprinkler installation has started, and the mechanical contractor started

installation on the exhaust fans and the exhaust ductwork. You can see it's moving along rapidly, so they'll be ready for their Spring 2025 opening. Utility Building (10875 Ideal Avenue): Installation of interior block walls, windows, exterior doors, and exterior finishes has started. Installation of the subbase and curbs for the parking and drive area are complete. Installation of the interior ductwork continues, and installation of the roof is complete. Norhart Apartment Building (10251 Hadley Avenue): The building permit has been approved and is ready to be issued. Chase Bank (7980 Hardwood Avenue): The rooftop solar permit has been approved and is ready for issuance. O2B Kids (7781 Hardwood Avenue): The Temporary Certificate of Occupancy has been approved, and the business opened on September 9. Director Larson stated Community Development Director Emily Schmitz is here if you'd like to ask any questions on these projects; no questions were asked.

B. Second Amendment to the Purchase Agreement between Kwik Trip and EDA and EDA and WAG

City Administrator Jennifer Levitt stated I am excited to continue to talk about Kwik Trip. Some of you may be thinking if we have this Amendment does this mean that Kwik Trip is not going to happen; the answer is no, it is going to happen. They were always planning to actually build in 2025 anyway, so I just want to walk you through some of the situations that have happened as they've continued to do their due diligence in the purchasing process. As you are aware, the parcel is located at 95th and Jamaica, it's 6.76 acres, right across from our fire station. As part of their due diligence, they had to wait until this spring-early summer to do their wetland delineation; when they did their wetland delineation, they discovered that there is a wetland and there is this blue channel that runs through their property. Now, when we have to address the wetland delineation, we have to send it to all of our various partners at the Federal and State level and our Watershed District and Conservation District, who oversees the wetland process. In this, the Army Corps of Engineers have indicated that that blue stream is actually in their jurisdiction. We find that a little bit challenging because it's not a natural stream, it was actually manmade and created, and we could show back to the 1970s that it was actually a quarry at the time; but our friends at the Army Corps of Engineers have indeed ruled, so there is some additional permitting that has to happen in order to make this happen. So, as part of this, we actually have to disconnect the storm sewer that's flowing to the site. Now I know you're thinking as EDA Members, we don't ever talk about engineering and technical things; so today I get the privilege to talk to you about engineering and technical things, which, if you don't know, actually is something that really excites me.

So, when we talk about the site and what is needed, I've overlaid the Kwik Trip Site Plan with the wetland in this screen so you could see how it's actually impacted on the Kwik Trip site. If we look at the image on the right-hand side of the screen, this pipe right here is a 54" storm pipe that's carrying water from a large part of our Business Park. Now, as part of this, we are legally allowed to disconnect the storm sewer because that discharge is coming from stormwater that's being collected, not from overland drainage; so, we're actually going to extend that 54" pipe down Jamaica Avenue Right-of-Way and discharge it into a flume here. So, we have about 330 feet of 54" pipe that will discharge there. We've actually put that project out for bid, as the Council authorized it at the last Council Meeting. Now, there's a couple of things that will help in that: One, by disconnecting that storm sewer in the spring, it will expedite Kwik Trip's ability to construct on the site because you can see how their Site Plan overlays with that, and then this additional time in this Amendment will provide them to work through the Army Corps of Engineers permitting process in addressing the wetland credits as associated with the project. Are there any big show stoppers here? No, it's just when you deal with the Army Corps of Engineers, that timeframe for processing permits is not quick, but in the end, it's not actually going to slow Kwik Trip's progress to construction in the Spring. So, with that, we are recommending moving the closing date to April 18, 2025; that will give them the opportunity to address the permitting. Administrator Levitt read aloud the recommendation on the Second Amendments.

**Recommendation: By motion: Approve Resolution 2024-11 authorizing the Second Amendment to Purchase Agreement by and between WAG and EDA, and the Second Amendment to Purchase Agreement by and between EDA and the Developer to extend the closing date to April 18, 2025, subject to minor modifications as approved by the City Attorney.**

EDA Vice President Olsen thanked Administrator Levitt, who used to be our City Engineer, in case you weren't aware, so she does really enjoy this kind of stuff and she does it very well. He asked if the Board any questions for Administrator Levitt on this item.

EDA Member Jean-Baptiste asked what was their initial date of estimated start up for construction and has that changed? Because you said they were planning on 2025 and they're still planning on 2025, I now see that the closing date has been pushed back to April 18, 2025; so, what is their date that they are planning to do the construction?

Administrator Levitt replied that's a great question. There were two things that were causing delay on Kwik Trip's plan: One was related to the actual fuel tanks; it's crazy to think that we still have supply issues coming out of COVID, but those large fuel tanks actually caused a delay for them. The other factor is in Minnesota, with winter, by the time we get the ground thawed so they can actually start utilities, you're probably not looking until mid-May to actually start construction. So, when our winter conditions are over, the tanks will be available, and it'll align with what they had anticipated, probably mid-May as the earliest construction start next year.

EDA Member Jean-Baptiste said sounds good, thank you. At the beginning, you were very adamant that they still plan on building here, so I would assume that any earnest money that was collected has remained the same, those terms have remained the same, because from what I understand, from what I read, it looks like the City might be pitching in to help build some of that extension of the foot line. So, I just wanted to make sure that if we are going to do that at the end of the day, they are committed to this project and if they do back out, there will be some sort of financial repercussion?

Administrator Levitt stated that's an absolutely great question. When you look at where that stormwater discharge is through the site, it's important I think for us to disconnect that storm sewer because one of the highest flows that we'll get through that pipe is in the Spring, right when they're intending to actually construct. So, number one, it will help them expedite their construction. Number two, if for any reason they did walk from this site, we know ultimately the next person that picks up this property would have the same issue and the same challenge; so, by us putting forth that \$480,000 to construct the pipe out of our Stormwater Area Fund, that was an improvement we were going to have to make regardless if Kwik Trip is coming in now. We're just trying to help facilitate a better construction season. Ultimately, with whoever buys that property, we would need to do this. So, we're doing the improvements about 6-to-7 months in advance than we had originally intended, but in the end, I think it'll work out because we'll disconnect that storm sewer, make that project more expedited for construction in the Spring; as I said, either way that pipe really had to have that stormwater disconnected no matter who bought the property.

EDA Vice President Olsen asked if EDA Member Carey had a question; EDA Member Carey replied that Administrator Levitt's responses had addressed his question.

EDA Vice President Olsen said it's my understanding from talking to people, who actually are working with Kwik Trip on this, they remain very excited about coming to Cottage Grove; in fact, one of the things that I think they're excited about is the piece of land that they've actually been able to build upon or plan to build upon is going to enable them to build a very large facility with lots of amenities that they don't typically have at a Kwik Trip because the sites are too small. So, this will be a nice thing to get going for sure. He asked if there were any more questions for Administrator Levitt; as there were none, he stated he would look for a motion from the Board.

**EDA Member Tschida made a motion to Approve Resolution 2024-11, authorizing the Second Amendment to the Purchase Agreement by and between WAG and EDA and the Second Amendment to Purchase Agreement by and between EDA and Developer to extend the closing date to April 18, 2025, subject to minor modifications as approved by the City Attorney. Motion was seconded by EDA Member Jean-Baptiste. Motion passed unanimously (5-to-0 vote).**

C. Termination of Purchase Agreement between EDA and Ryan Companies

Director Larson stated as was mentioned, this is the Termination of a Purchase Agreement between WAG and the EDA, as a result of Ryan Companies notifying the City that on September 6, 2024, they were unable to close on the property. A lot of that was due to market conditions, interest rates, and vacancies. So, they were struggling to find a tenant, and no matter how hard we helped them, they couldn't secure the tenant that they wanted. So, unfortunately, they had to terminate the agreement. The notification of that termination requires the EDA to terminate their Purchase Agreement with WAG, because obviously it's a buy and sell on the same day, and of course the EDA's not buying the property if Ryan Companies is not closing. That leaves \$50,000 in earnest money that's going to be retained and allocated: \$21,000 to the EDA and \$29,000 to WAG, and then \$20,000 of the earnest money will be returned to Ryan Companies because they did terminate on time. Director Larson said she'd be happy to answer any questions about the process, and there is a Recommendation before you.

EDA Vice President Olsen asked if there were any questions on this item for Director Larson. As none were asked, he said he'd look for a motion based on the Recommendation before us.

**Recommendation: By motion: Adopt Resolution 2024-12 terminating the Purchase Agreement with WAG for the 13-acre property located at Jamaica Avenue South and 100th Street South, legally described as Lot 1, Block 1, Lake Flora Second Addition.**

**EDA Member Jean-Baptiste made a motion to Adopt Resolution 2024-12 terminating the Purchase Agreement with WAG for the 13-acre property located at Jamaica Avenue South and 100th Street South, legally described as Lot 1, Block 1, Lake Flora Second Addition. Motion was seconded by EDA Member Scott. Motion passed unanimously (5-to-0 vote).**

D. Amendment to Professional Services Agreement with Dowdle Studios, LLC

Director Larson said you will recall in the original Dowdle Art Project Service Agreement, we had the exclusive right to sell the puzzles that we purchased starting from the unveiling day to a year forward, so September 15, 2025. This revision, if you approve it, allows you the exclusive right to market and sell the 3,000 puzzles with no time limitations. So, in other words, for whatever reason if they were to not sell in that first year, we would just continue selling them and collecting the proceeds on them. We have high

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hopes that we'll sell them all, but just in case that doesn't happen, we thought we would go ahead and discuss this option with Dowdle, and they agreed to it. I'll be happy to answer any questions on that.

EDA Member Tschida said so, let's say we sell all 3,000 of our puzzles in 3 weeks or 6 months, does that mean that Dowdle can start selling puzzles in 3 weeks or 6 months, or do we have the ability to buy more and sell up to that year?

Director Larson replied that's a great question. What you just said is exactly correct, we could purchase more and originally when we thought about purchasing the 6,000, that was kind of a breakeven point; so, we'll continue to be able to purchase them and sell them through that full year of September 15, 2025. The question will become if we order them again, will they continue to allow the open-ended part of that or will they end it on September 15, 2025, but we'll discuss that with the City Attorney if and when that time comes.

EDA Member Tschida said okay, so, I guess just to be clear, the answer is we're not quite sure yet?

Director Larson replied no, the answer is yes, we can purchase more puzzles during the original one-year period. The question is after that one-year period, is it still open ended? Because that's the second purchase, not the first purchase of the 3,000.

EDA Member Tschida said correct, okay, thank you.

EDA Member Carey said I wouldn't want to get in the situation where we'd buy like 3,000 more, 9 months from now, and we sell 1,000 of them, and we're stuck with 2,000 puzzles that we can't sell. So, I imagine that will be part of the negotiation with the second purchase order. Director Larson said we would have to come back again, yes. EDA Member Carey said duly noted, thank you.

EDA Vice President Olsen asked if there were any further questions; as there were none, he said he'd seek a motion on the Recommendation.

**Recommendation: By motion, Approve the Second Amendment to the Professional Services Agreement between the EDA and Dowdle Studios, LLC to allow the EDA unlimited and exclusive marketing and sales rights to the 3,000 puzzles purchased by the City without a time limitation.**

**EDA Member Carey made a motion to Approve the Second Amendment to the Professional Services Agreement between the EDA and Dowdle Studios, LLC to allow the EDA unlimited and exclusive marketing and sales rights to the 3,000 puzzles purchased by the City without a time limitation. Motion was seconded by EDA Member Scott. Motion passed unanimously (5-to-0 vote).**

### E. Dowdle Art Unveiling Updates

EDA Vice President Olsen said now for the item we've all been waiting for, the Dowdle Art Unveiling Updates; Director Larson will take this one, too.

Director Larson said yes, we're super excited, we're almost to the home stretch. We've been working really, really hard to make sure everything goes smoothly and is pulled off without a hitch, although I will mention it's Friday the 13th the day before, no curses our way. The event takes place on Saturday, September 14th, at Cottage Grove Middle School. The doors open at 8:30 a.m., the Park High School marching band will welcome the attendees, and the Park High School choir will sing the National Anthem. You can see some of the marketing materials on the screen before you. What will happen after the actual official program is the puzzles will be for sale at the school until about 11:00 a.m.; as a reminder, we have 500-piece puzzles at \$28, and 1,000-piece puzzles at \$30. After the unveiling, Eric Dowdle will proceed to the Food Truck Festival where he will be at the *Discover Cottage Grove* booth for a bit, perhaps selling puzzles and helping with that. After the event, the puzzles will be available for sale at City Hall, online, and at events throughout the year. So, this is not an action item, it's just an update for all of you, and we're hoping that you all will be there on Saturday.

EDA Vice President Olsen said I know I will be, and thanked Director Larson for the update. He asked if there were any questions or comments for Director Larson on this item, but there were none. He stated I have a couple of questions for you: With regard to selling the puzzles, do we have any local retail partners that we think might help us out with selling puzzles, or are we going to sort of stick to City Hall, online, and they'll be available at City events?

Director Larson replied we have discussed the option of potentially allowing some retailers to have the puzzles, but we have not thought through that whole process and kind of walked our way through it. We're trying to just survive the two events on the same day, and then after that, that'll be something that we could discuss. Inventory would be the biggest problem, and then the other question would be is would they want to make a profit on the puzzles. So, it would be something that we definitely would have to talk about.

EDA Vice President Olsen said one other thing that I just wanted to mention is there will be some folks at the actual unveiling event; I believe we've got a list of roughly 10-to-15. So, if you're interested in coming to the event, you're going to see some of the

folks that are actually in the puzzle that will be available at this event, and I believe they'll be placing a puzzle piece or something; can you explain how that's going to work?

Director Larson said yes, so there will be the painting reveal, and then as a part of that, you have the large wooden giclee puzzle, so it's another puzzle about as big as the painting. What'll happen is the special guests that are speaking at the event about the history of Cottage Grove, and how they fit into that history, will have a puzzle piece ready to go (and Alexa has done all the hard work on this), with their little script attached to it. As the program unfolds, Mayor Bailey and Eric, acting as emcees, will call the folks up, they'll say what makes it special about Shepherd Farm or whichever venue, and they'll put the piece in the puzzle. So, everybody will do that; all the Council Members and the Mayor have a spot, and then there are a number of people in the community that have been here a long time or owned businesses many, many years ago who are well thought of in the community, so they'll be participating as well. So, it should be a lot of fun.

EDA Vice President Olsen said I know there's a lot of energy around that, especially from the folks who are planning on attending as part of this puzzle unveiling. So, I think it's going to be a really good day. I appreciate all the hard work on behalf of the staff; I know that a lot of people have had their hands in this, and it's been a very time-consuming thing. So, I'm looking forward to it.

#### F. Business Retention and Expansion Updates

Director Larson stated we completed the survey, in partnership with the Chamber and Grow Minnesota!, and Laurie is here today to answer any questions about the partnership should you have them. We mailed the survey to businesses with a cover letter from Mayor Bailey on Friday; that was in your packet. We have a deadline of October 7, so we're giving them 30 days for the first round of participation. In order to encourage them to take the survey, we're offering a chance for one winner to get a \$250 gift certificate for an after hours Team Building Event at River Oaks, so we're hoping that will excite folks. Grow Minnesota! will tabulate the surveys for us, and we plan to present the preliminary results at the biannual Business Over Breakfast on October 24. As a part of this, the Chamber and Grow Minnesota! will also help push out, so we have some coordinating to do as a team, who is pushing out to who, personally, as opposed to just the mass mailing. I'll be happy to answer any questions about that.

EDA Vice President Olsen said perfect. He asked Cottage Grove Area Chamber of Commerce President Laurie Levine if she had anything she wanted to add on this.

Laurie replied yes, thank you. So, I just wanted to put out there that with working with the Chamber, along with the City, has just been fantastic. I think we have just elevated the opportunity for businesses in our area by working together in collaboration and being able to put out a survey like this, alongside of Grow Minnesota!, I think is just going to be fantastic. I'm excited to see what the results are when they come back.

EDA Vice President Olsen said fantastic, thanks very much for the update from both of you. He asked if the EDA Members had any questions about this; none were asked.

EDA Vice President Olsen said so really the only question I have is sort of what happens next? So, after all this information is tabulated, etc., what does the action look like after that?

Director Larson replied well, depending on what they say in the surveys, obviously, or if they just skip the surveying and want to go straight to an in-person visit, all of those things will start taking place. So, we'll have the responses, we'll figure out from the responses what are the action items that will be needed, and we'll compile that all into a strategy and a plan, and we'll report back. After that first 30 days is done, we'll decide how many months do we wait before we send the survey out again; because obviously we'd like everyone to participate. Let's say 50 businesses participate the first time, then we won't send it to them again, obviously, so that'll be another tracking list we'll also set up. So, we'll be reporting back to you as soon as we have noticeable results.

EDA Vice President Olsen said good, well, thanks for the update. It looks like some very timely and critical feedback that we're seeking here, and it's always good to engage with our local business community and try to figure out what we don't know; because sometimes we don't know what we don't know. So, this is a really great way to go about that, and I love the partnership between the Chamber, Grow Minnesota!, and the City. Making sure that we collaborate with all of the stakeholders involved is something that we always aspire to do, and here's perfect evidence of why. So, thanks again.

**6. PUBLIC HEARINGS** - None.

**7. OTHER BUSINESS** - None.

**8. WORKSHOP** - None.

**9. PRESENTATIONS** - None.

EDA Vice President Olsen said before we go to adjournment, let me open the floor to EDA Members if there's anything they want to ask or make comment on this morning. There were no questions or comments from the EDA Members.

**10. ADJOURNMENT**

**EDA Member Carey made a motion to adjourn. Motion was seconded by EDA Member Tschida. Motion passed unanimously (5-to-0 vote). The meeting was adjourned at 7:57 a.m.**

Respectfully submitted,

Gretchen Larson  
Economic Development Director

/jag



## Federal Reserve Bank of Minneapolis

### Summary of Economic Activity

Economic activity in the Ninth District was slightly down since the previous report. Employment increased slightly, but labor demand continued to trend down. Prices increased slightly, and wage growth was moderate. Manufacturing declined moderately and construction decreased slightly. Consumer spending, energy, and agriculture were flat. Residential real estate activity was moderately lower, and commercial real estate was slightly up. Activity among minority- and women-owned business enterprises was mixed.

### Labor Markets

Employment increased slightly since the last report. Those with open positions reported that labor availability was much improved. A source at a Minnesota supply company said that it received 12 applications for a high-skill driving position that it had previously struggled to fill, and noted, “I about fell out of my chair.” However, job openings continued to decline, particularly among full-time positions, and a larger share of firms were not hiring. A job fair in central Minnesota was canceled for lack of employer interest. Hiring related to turnover remained high. A Montana staffing company said that they were receiving record numbers of job applications “and not many are unemployed.” Numerous contacts acknowledged some hiring caution due to the uncertainty of the upcoming presidential election, and also some optimism for higher labor demand afterward.

Wage growth was moderate. Survey respondents reported increases similar to levels seen earlier in the year. Numerous contacts in different fields reported that wages increased by three to four percent. Workforce contacts reported that some businesses looked to less-experienced workers in hopes of keeping labor costs down. A South Dakota contact said that labor demand has dropped, “not because businesses don’t need the help, but because they don’t believe they can afford the wages, so they’re not hiring.”

### Prices

Prices increased slightly overall since the previous report. A monthly survey found little change overall in prices charged by firms in September compared with the previous month. Input price pressures appeared to have ticked up slightly, as 40 percent of firms said they were up over the

month. Results from an annual tourism and hospitality survey indicated that firms in the sector saw decreased inflationary pressure over the summer relative to the year earlier. Retail fuel prices in District states decreased slightly since the previous report. Prices received by farmers increased in August from a year earlier for sugar beets, dry edible beans, chickens, eggs, milk, and cattle; prices decreased from a year earlier for corn, soybeans, wheat, barley, lentils, hogs, and turkeys.

## Worker Experience

Overall, workers and job seekers across the region experienced a moderate decrease in their ability to find jobs that meet their demands, but there was considerable variation across employment types. A workforce development contact in Minnesota reported that getting jobs in tech and IT was difficult, in part because remote work allows employers to hire experienced workers from out of state. Project delays in construction limited electricians' abilities to secure employment, according to a labor contact. On the flipside, job seekers continued to experience relative ease finding jobs in the health care sector, particularly those in older adult services and long-term care, where wages and bonuses remained attractive. Flexibility continues to be a key priority among workers and job seekers. "Employees, especially younger generations, are seeking roles where they feel they can make meaningful contributions," shared a Minnesota contact. "Many jobseekers are now more selective, seeking out employers that align with their values, offer clear career development paths, and support mental health initiatives."

## Consumer Spending

Consumer spending was flat since the last report. A South Dakota contact said retail foot traffic has been down and consumer spending has been flat. However, a Minnesota mall contact reported healthy recent foot traffic and spending activity, with similar expectations heading into the holiday season. Vehicle sales, including for recreation, were softer on a year-over-year basis. Hotel sources suggested that occupancy rates were steady and average room rates remained comparatively high. Leisure travel across District airports remained strong. Contacts reported some concern for consumer financial health. Bankers noted increases in home equity loans as well as increased consumer loan delinquencies. A retail contact said consumer health was "deteriorating, but not tanking. Lots of trading down" in purchases, like generic products for name-brand ones.

## Construction and Real Estate

Construction activity was down since the last report, with some lumpiness across the sector. Industry data suggested that sector activity was growing slightly. But sources suggested that large projects, like data centers and infrastructure, have balanced much slower activity in other seg-

ments, particularly multifamily and other commercial projects. A contact from a mid-sized Minnesota construction firm said it was seeing “increased pressure on margins to secure a smaller number of opportunities.” Several contacts reported a small, preliminary uptick in those looking to restart delayed projects given the recent cut in interest rates. Others reported that potential customers and projects were in a “wait and see” mode in relation to the election. Single-family residential permitting increased in September, year over year, in much of the District, with the exception of Minneapolis-St. Paul, which saw a fairly large decline.

Commercial real estate remained soft. Industrial vacancy rates have risen but were expected to fall going forward thanks to a dearth of new building. Office vacancy rates remained high, though new leasing activity in high-quality space was reportedly healthier. Residential housing sales were lower overall and fairly volatile compared with last year’s activity. Available sales figures for August and September showed double-digit declines in some markets, while some markets saw increases of similar size, even in the same state.

## **Manufacturing**

Manufacturing activity in the District decreased moderately since the previous report. More manufacturing firms reported decreased orders in the previous month compared with those seeing increases; however, most expected sales to increase in the coming month. A regional manufacturing index indicated a contraction in activity in Minnesota and South Dakota in September from a month earlier, while activity increased in North Dakota.

## **Agriculture, Energy, and Natural Resources**

Agricultural conditions in the District were stable at low levels. Preliminary estimates suggested that corn production in District states will decrease modestly from a year ago and soybean production will increase moderately. Wheat production in District states increased significantly from last year. A decline in Montana was more than offset by increases in other states. District oil and gas exploration activity was unchanged since the previous report.

## **Minority- and Women-Owned Business Enterprises**

Minority- and women-owned business enterprises were evenly split between those reporting higher or lower sales; a small number noted flat conditions. Over half of contacts reported lower profits in the last month. Employee headcount was largely unchanged, and only one in five contacts said hiring demand for their business was up. Most contacts expected sales to remain steady or improve over the following weeks. A South Dakota restaurant owner said they were hoping for an “exceptional hunting season” to boost their business and improve profitability. Less than half of

contacts reported paying more for labor and other inputs compared with the previous month. A similar share said they expected costs to increase further in the coming weeks.

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

**TO:** Economic Development Authority

**FROM:** Emily Schmitz, Community Development Director

**DATE:** October 3, 2024

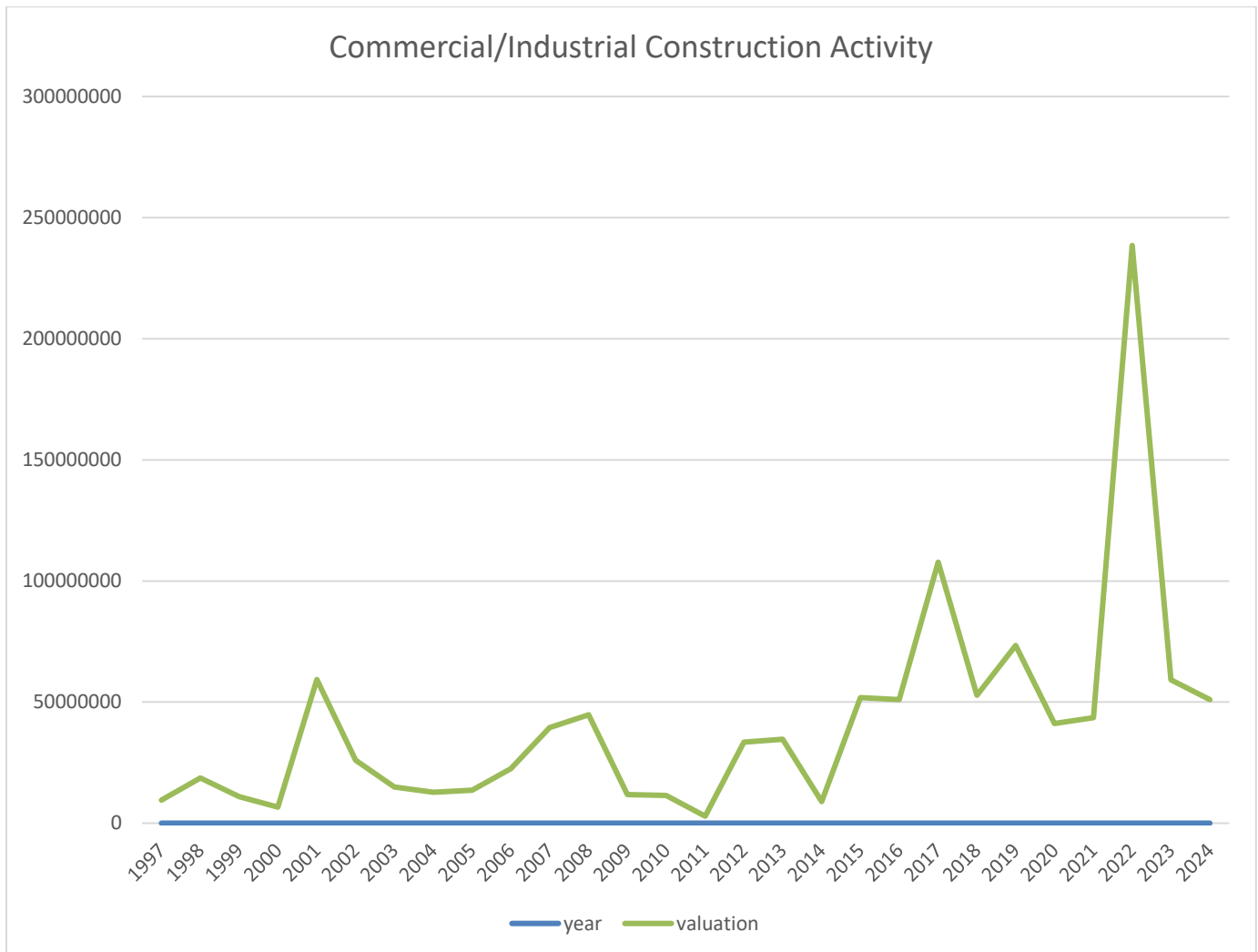
**RE:** Development Update

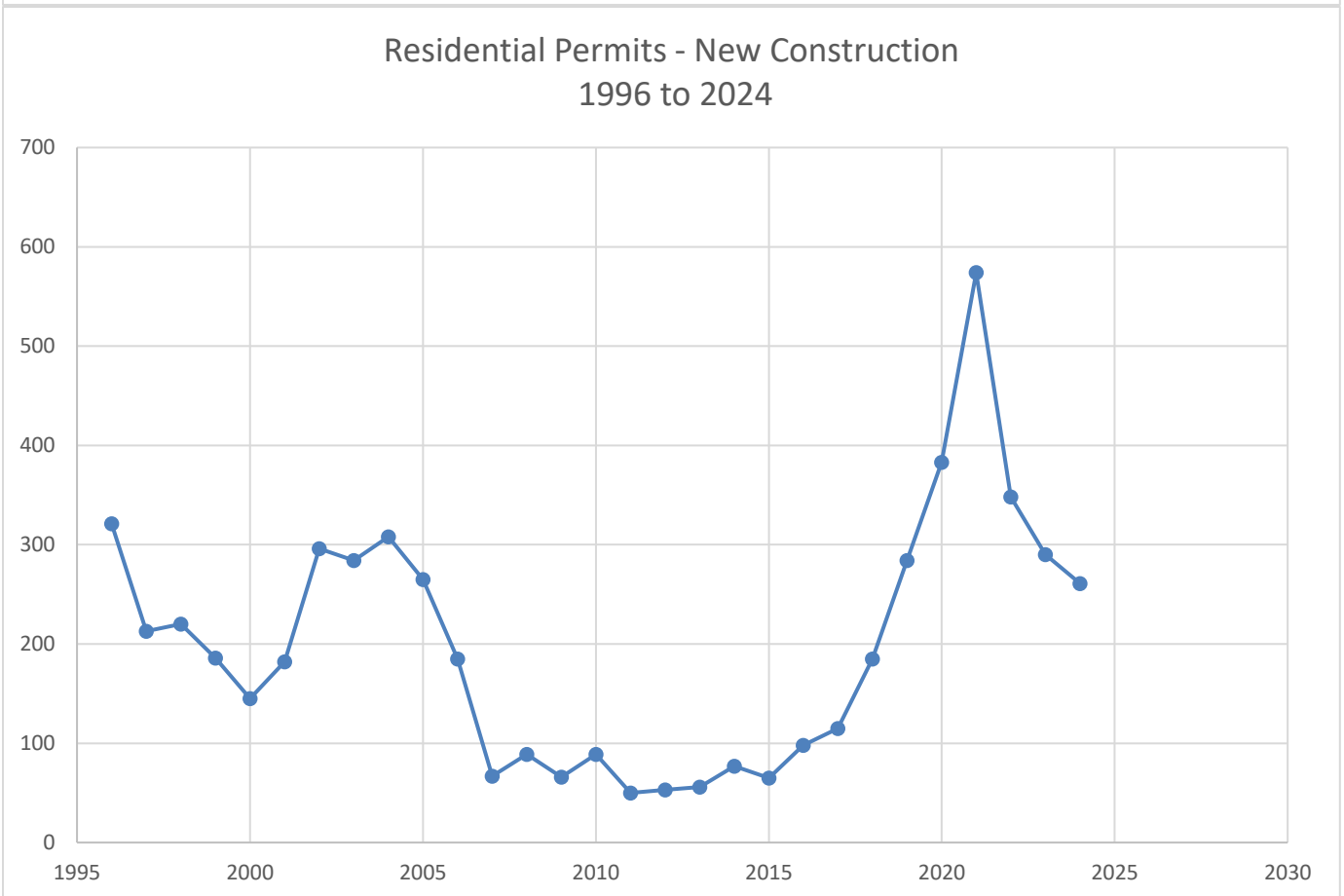
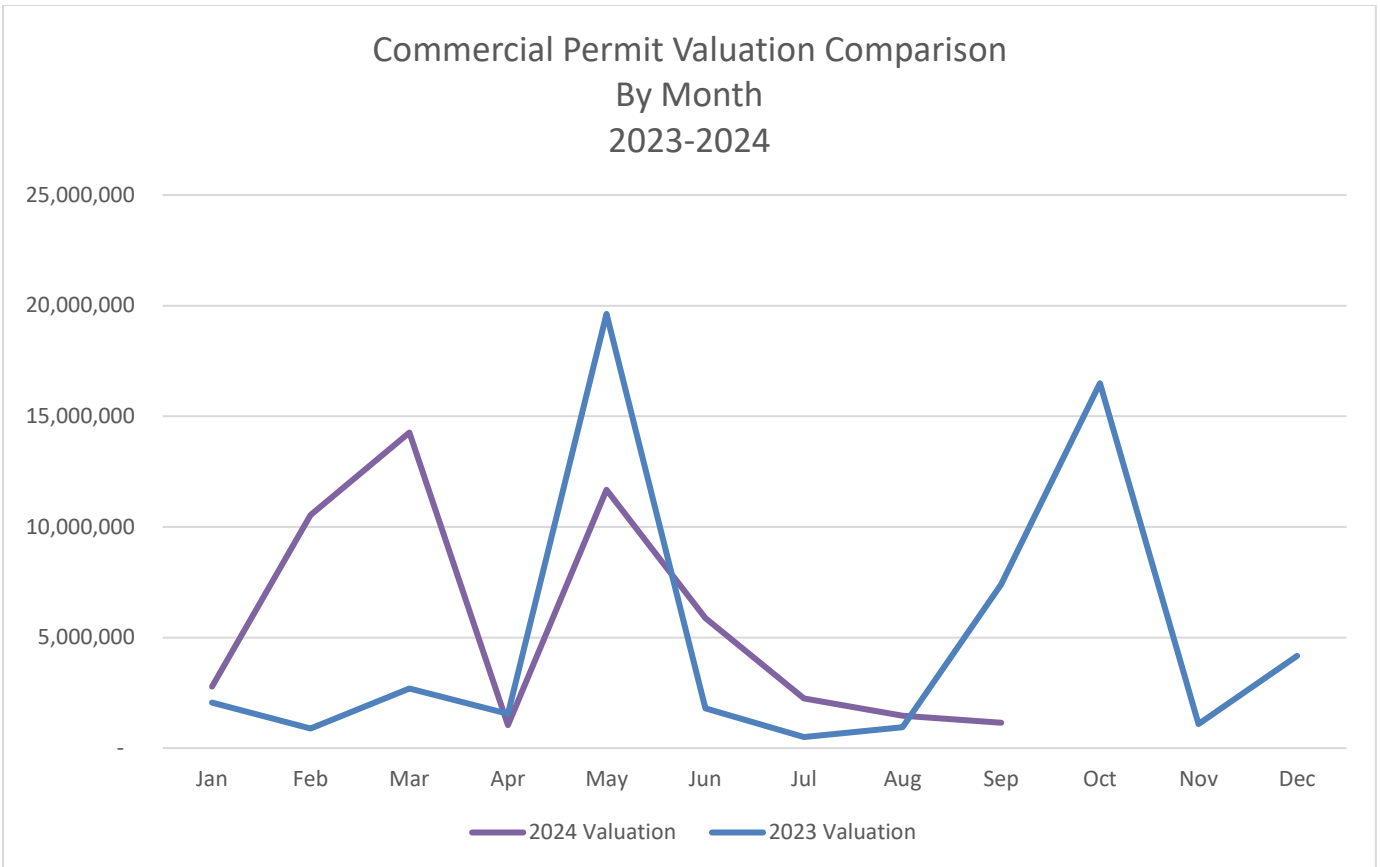
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## Building Permits

### Building Permit Statistics:

Between September 1 and September 30, there were 406 building permits issued with a total valuation of \$10,384,222, including 12 single-family homes valued at \$4,259,682 and 6 townhomes valued at \$2,279,887.



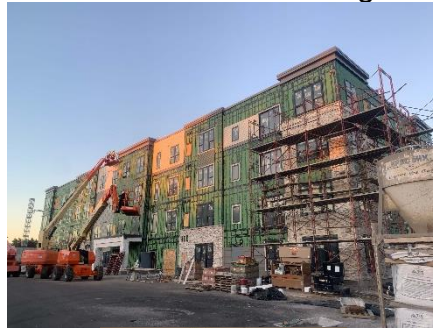


## Current Project Updates

### **Building Construction Projects**

Chase Bank (7980 Hardwood Avenue): The Certificate of Occupancy was issued on September 25, 2024.

Bluestem Apartments (7601 79th Street): The installation of the roofing material is complete. The mechanical contractor has started the installation of the HVAC equipment on the roof and the gas lines. The 4th floor mechanical, electrical, and plumbing rough-in and floor framing inspections are complete, as well as the installation of insulation on the 4th floor. The rough-in inspections for the 3rd floor and the installation of the exterior stone and siding have begun.



Norhart Apartment Building (10251 Hadley Avenue): The building permit has been reviewed and approved and is ready to be issued.

Lumbermen's (7601 100th Street, #800): The final building inspection was passed.

Discount Tire (8647 East Point Douglas Road): The contractors have commenced with the installation of the concrete drive, parking areas, electrical, and plumbing work. Exterior and interior demolition has started. The framing of the exterior walls is complete, and they have begun installation of the stucco over the exterior walls.





**Low-Zone Water Treatment Plant (10901 Ideal Avenue):** The installation of the process piping in the lower level and the large water filter tanks continues. The contractor started installing the interior block walls and precast concrete planks. The installation of the main floor precast walls is finished, as well as areas of the roof bar joist and precast concrete over the exterior CMU walls. The installation of the roofing membrane has started.



**Utility Building (10875 Ideal Avenue):** The contractor is continuing work on the interior walls in the office area. The exterior finishes are almost complete. The installation of the interior ductwork, interior block walls, the interior and exterior hollow metal frames and doors, drywall, and fire sprinklers. The roof membrane and aluminum window installations are complete. The subbase and curbs for the parking and drive area, the base layer of asphalt for the drive and parking areas, and the concrete slab in the vehicle garage are finished.





## **Planning Division**

### **September 23, 2024 Planning Commission Meeting**

This meeting was cancelled as there was no business to come before the Planning Commission.

### **October 28, 2024, Planning Commission Meeting**

The following applications were received for the October 28, 2024, Planning Commission meeting:

- Chase Bank/Kohls – Preliminary and Final Plats
- Water Treatment Plant – Preliminary and Final Plats, Site Plan Review, Variance
- 2025-2028 CIP – Comprehensive Plan
- Cannabis Ordinance – Zoning Text Amendment

## COMMUNITY DEVELOPMENT UPDATE OCTOBER 2024

### Building Division

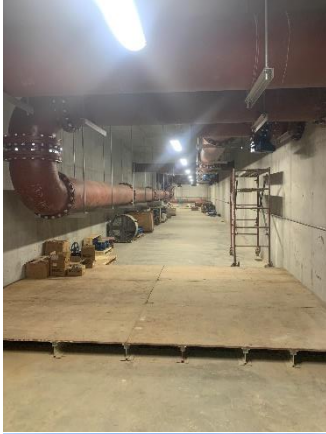
Building Permit Statistics: Between October 1 and October 31, there were 512 building permits issued with a total valuation of \$23,045,950, including 49 single-family homes valued at \$17,475,874.

### Project Updates

Bluestem Apartments (7601 79th Street): The installation of the gypcrete is complete on 3rd and 4th floor and has started on the 2nd floor. The framing inspection was passed for the 2nd floor. The installation of the HVAC ductwork on 2nd floor is complete, and the installation of the exhaust fans and exhaust ductwork on the 1st floor has started. The plumbing rough-in inspection has passed on the 1st floor. The installation of the exterior finishes are about 70 percent complete.



Low Zone Water Treatment Plant (10875 Ideal Avenue): The installation of the process piping in the lower level continues; this installation will continue for the next few months. Painting has started on the precast walls in the pre-treat area, and excavation continues at the west storm water pond with trucks hauling in clean fill.



Discount Tire (8647 East Point Douglas Road): Installation of the HVAC system and new roof is complete. Modification of the fire sprinkler system has started. Interior work continues for the CMU walls, electrical, concrete slab, and plumbing. Removal of the existing heaters in the bay area is complete.



Gerber Collision (7300 West Point Douglas Road): Building Division and Fire have approved the plans. The grading permit is being reviewed. Pre-construction meeting is schedule for the week of November 4.

Utility Building (10875 Ideal Avenue): Finish painting continues for the interior offices, mechanical rooms, and storage areas. The installation of the irrigation is complete, and the installation of landscape rock, trees, plants, and shrubs has started.

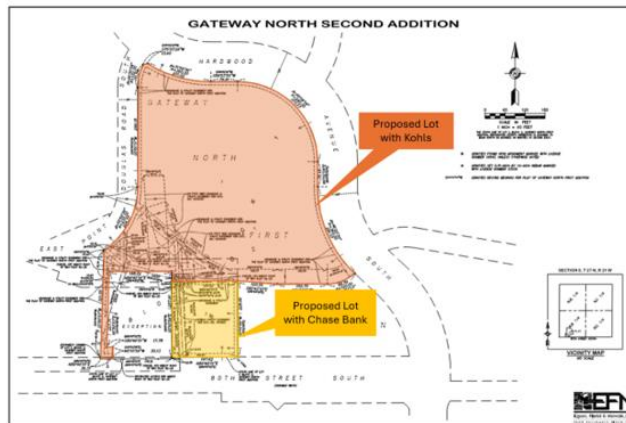


## **Planning Division**

### **October 28, 2024, Planning Commission Meeting**

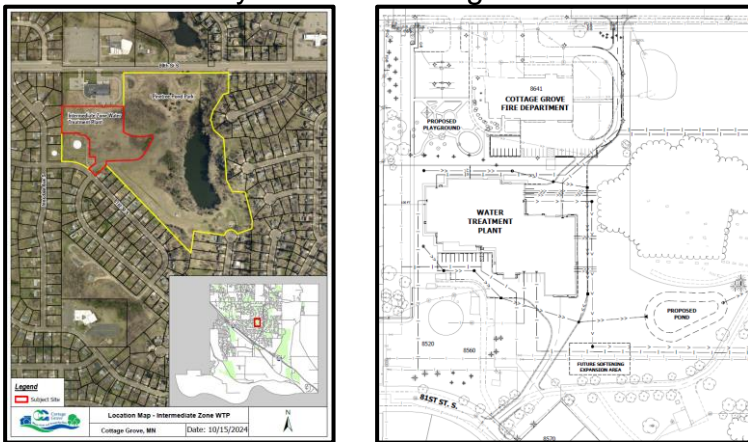
The Planning Commission met on October 28, 2024, and reviewed the following applications:

Chase Bank Plat – Case NO. PP2024-018: KIN, Inc. (Kohl’s Department Stores) has applied for a Preliminary Plat at 7990 Hardwood Avenue South, which is adjacent to Culver’s, U.S. Bank, and contains the recently constructed Chase Bank in the south parking lot, which would split 1.03 acres in order for the constructed Chase Bank site to be within an individual parcel. The Planning Commission unanimously recommended approval. This item will be on the November 6 City Council agenda.



CIP 2025-2029 – Case NO. CP2024-020: The City of Cottage Grove has applied for a comprehensive plan amendment to amend the Capital Improvement Program (CIP) for 2025-2029. The Planning Commission, on a unanimous vote, recommended approval of the CIP. The City Council will take final action at their meeting on December 4.

Intermediate Zone Water Treatment Plant – Case NO. PP/SP/V/2024-019: The City of Cottage Grove has applied for a site plan review, preliminary plat, and variance to the maximum building height and minimum rear yard setback for construction of a water treatment plant on a 6.78-acre parcel, which is part of the larger 40.3-acre Pine Tree Pond Park Addition. The proposed water treatment plant is located south of the Central Fire Station in Pine Tree Pond Park off 81st Street South. On a unanimous vote, the Planning Commission recommended approval. Final action will be taken at the November 20 City Council meeting.



Cannabis Ordinance Amendment – Case NO. TA2024-021: The City of Cottage Grove has applied for ordinance amendments related to cannabis uses. The Planning Commission unanimously approved the ordinance amendments. This will be on the December 4 City Council meeting agenda.

**November 25, 2024, Planning Commission Meeting**

The following applications were received for the November 25, 2024, Planning Commission meeting:

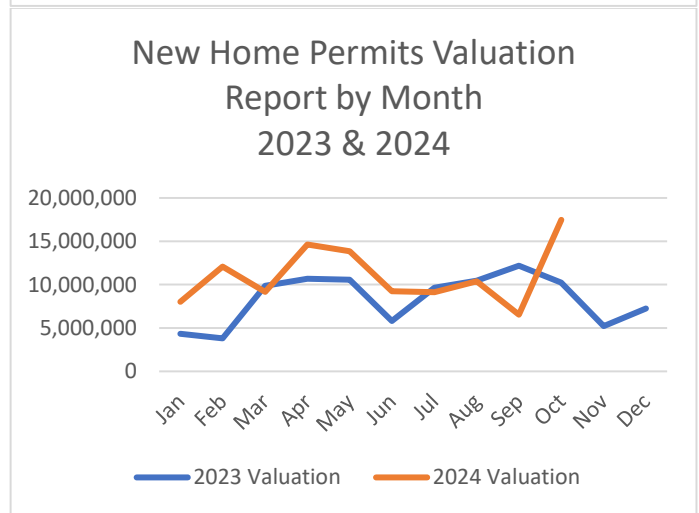
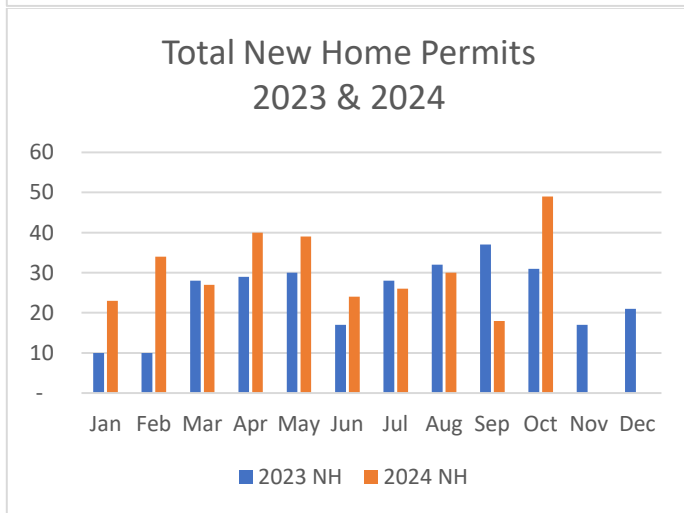
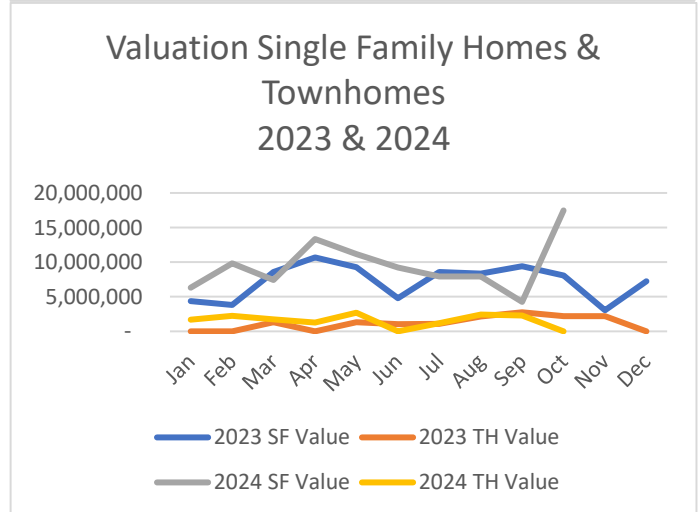
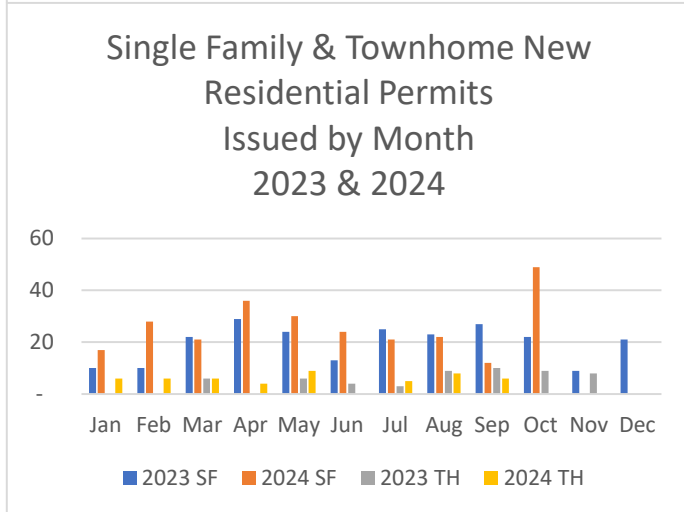
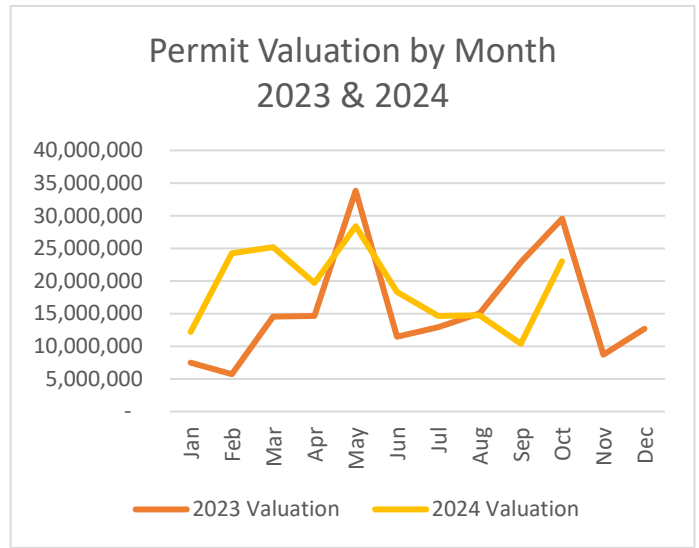
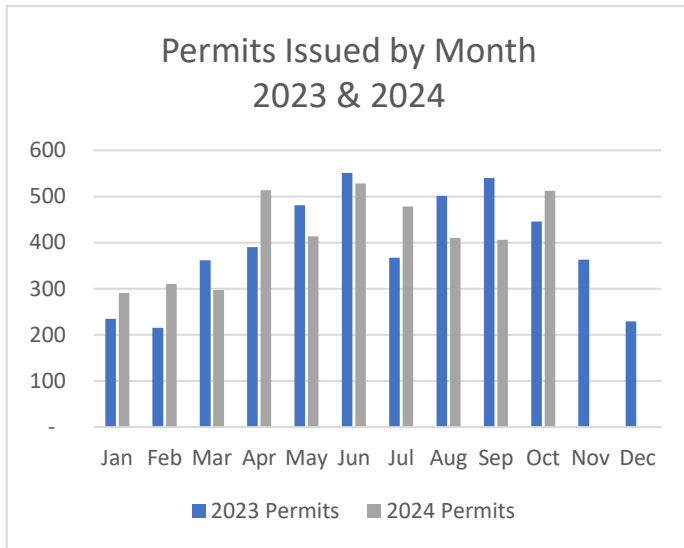
- Park High School – Site Plan Review
- Real Estate Equities – Comprehensive Plan Amendment, Zoning Amendment, Site Plan Review
- Northpoint – Zoning Amendment, Conditional Use Permit

## Code Enforcement

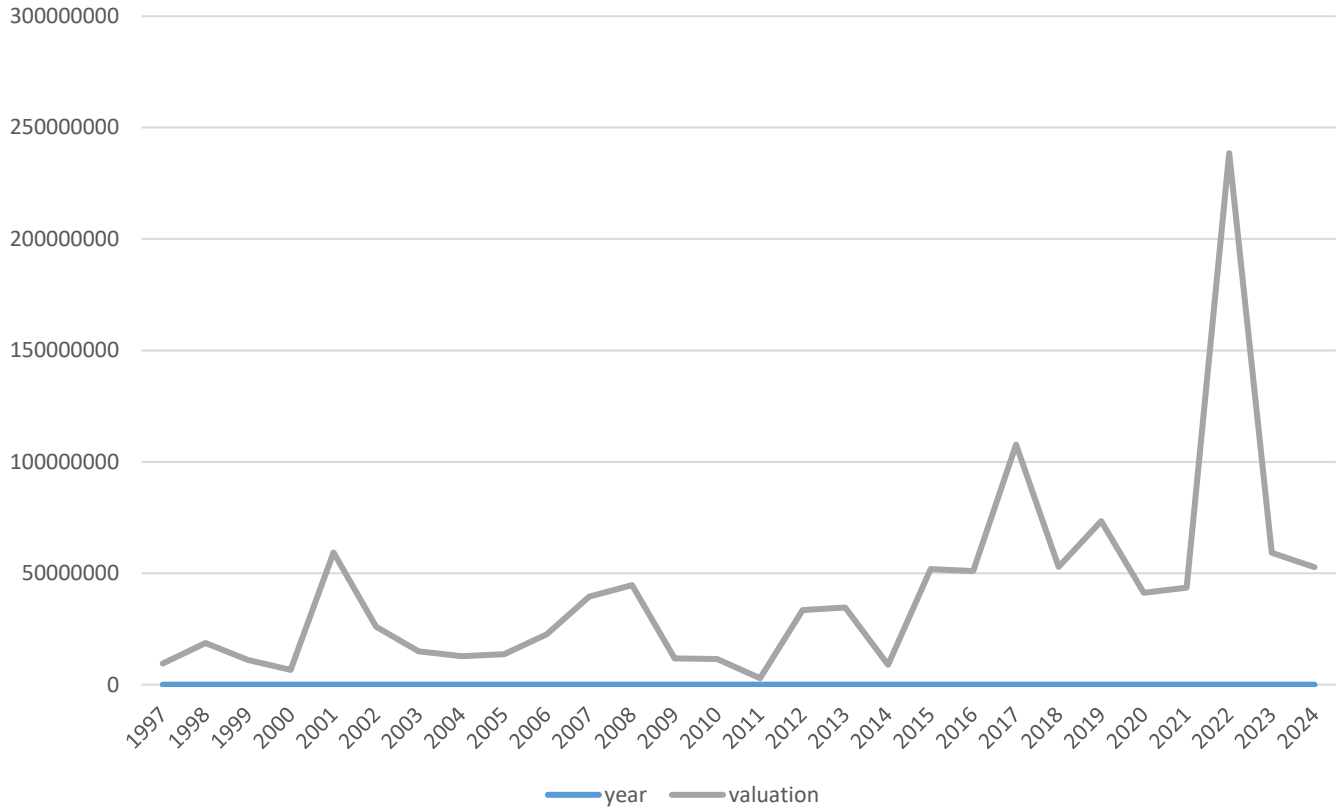
### Code Cases

Type	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Total
Animal Waste 5-4-3.C								1			1
Chicken Permit Required 5-4-12.A.1									2	1	3
Rooster Prohibited 5-4-12.C				1					2	1	4
Composting, Residential Only 4-2-13.A											0
Compost (Containment Required) 4-2-13.B.1					1						1
Compost Screening Requirements 4-2-13.B.2					1						1
Composting Container Requirements 4-2-11.A.4					1						1
Compost Container Location 4-2-11.B.3					1						1
Dead Tree 4-4-6.A.2											0
Diseased Tree 4-4-6.A.1					1			1		1	3
Encroachments (Right of Way) 4-1-1.B.8.d			1		1		1		1	1	5
Encroachments (Easements) 11-3-2.B			1								1
Unsheltered Storage 4-1-4.B	1	3	3	11	37	22	9	20	7	5	118
Farm Animals Prohibited											0
Fence Maintenance 11-3-6	1			1	4	2		3		3	14
Firewood Storage 4-1-4.C								2		1	3
Graffiti											0
Grass/Weed Height 4-3-1B.1				1	36	12	14	20	7	1	91
Home Occupation 11-4-3				1				1			2
Landscaping Required 11-3-12											0
Noxious Weeds 4-3-1.A								1			1
Permit Required 9-3-1.A								2			2
Pool Requirements 9-8-3					2	1					3
Pot Holes 4-1-3.E								1			1
Rental License Required 3-15-3.A.1					1		5			1	7
Signs: Off Premise											0
Signs: Prohibited Locations 11-3-14.D.3									1		1
Signs: Temporary 11-3-14.F.1.b											0
Stagnant Water 4-1-2.C					2	1					3
Storage Pd (90 days) 11-3-7.C.8								1			1
Storm Water/Runoff Control											0
Structure – Accessory 11-3-5					1			2			3
IPMC Adoption 9-2-2			1		1			2			4
Structure – Temporary 11-3-5.a.3					1	1	2	1			5
Structure – Unfit for Occupancy											0
Trash Container Storage 4-2-11.B.1	3	33	4	26	95	69	54	50	6	1	341
Dumpster Enclosure 4-2-11.B.2						8					8
Trash Storage Accumulation 4-2-14.A				1			2		1		4
Bulk Refuse Container 4-2-11.B.6.a	2	1		1	1	2		1			8
Trash Service Required 4-2-10.B											0
Vehicle: 4 Maximum 6-2-4.C.2	1		1	1	2	2	2	2	1		12
Vehicle: Parking Surface (Front) 11-3-4.H.4	7		4	1	20	5	2	7	2	4	52
Vehicle: Parking Surfaces (Rear/Side) 11-3-4.H.4.B			2	2	19	9	9	6	2		49
Vehicle: Commercial (Class II) 6-2-4.E			1								1
Vehicle: Commercial (Class I) 6-2-4.D.1		1	1								2
Vehicle: Unlicensed/Inoperable 4-1-4.D			1	2	15	7	7	3	2	1	38
Boulevard Tree Requirements 7-4-3.C								1			1
Other			2	2		3	1	1	1	1	11
<b>Total Inspections</b>	<b>16</b>	<b>38</b>	<b>27</b>	<b>45</b>	<b>245</b>	<b>251</b>	<b>146</b>	<b>100</b>	<b>255</b>	<b>91</b>	<b>1,214</b>
<b>Total Violations</b>	<b>15</b>	<b>38</b>	<b>22</b>	<b>51</b>	<b>243</b>	<b>144</b>	<b>107</b>	<b>130</b>	<b>35</b>	<b>22</b>	<b>807</b>
<b>Total Cases</b>	<b>11</b>	<b>18</b>	<b>9</b>	<b>37</b>	<b>148</b>	<b>149</b>	<b>85</b>	<b>89</b>	<b>23</b>	<b>17</b>	<b>586</b>

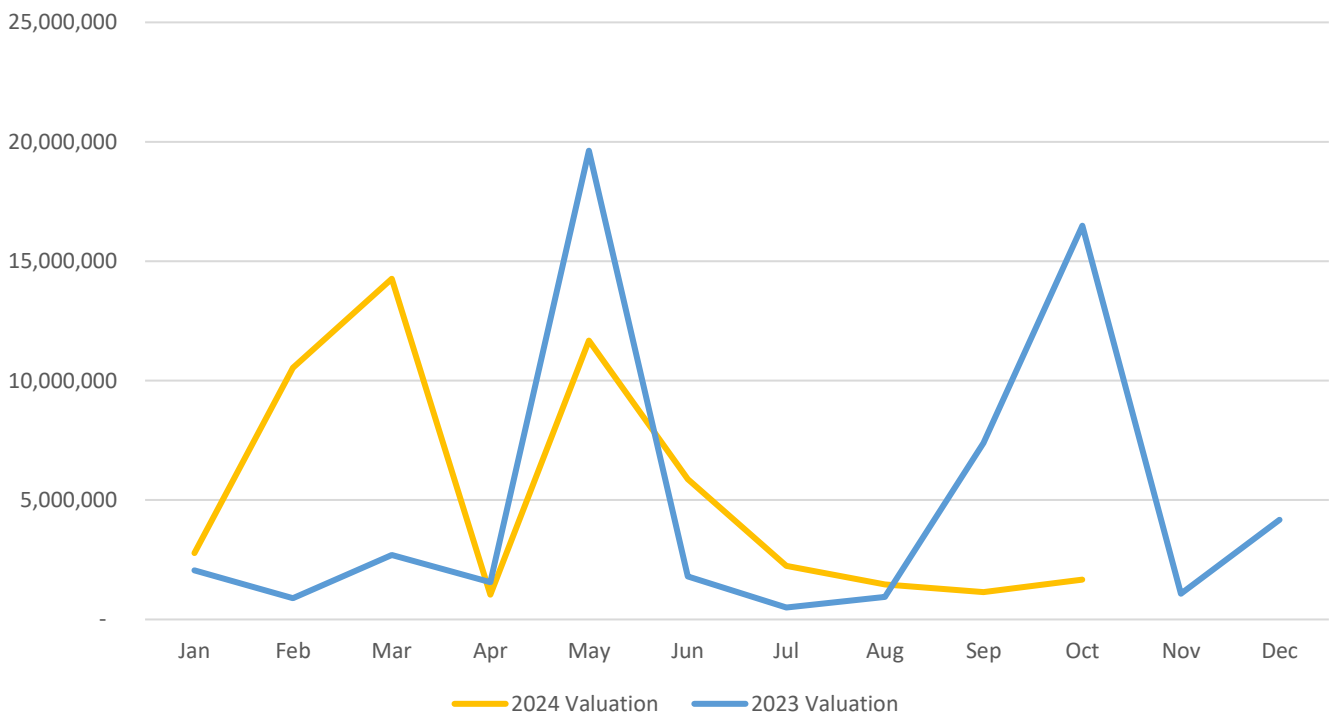
### Building Permit Graphs



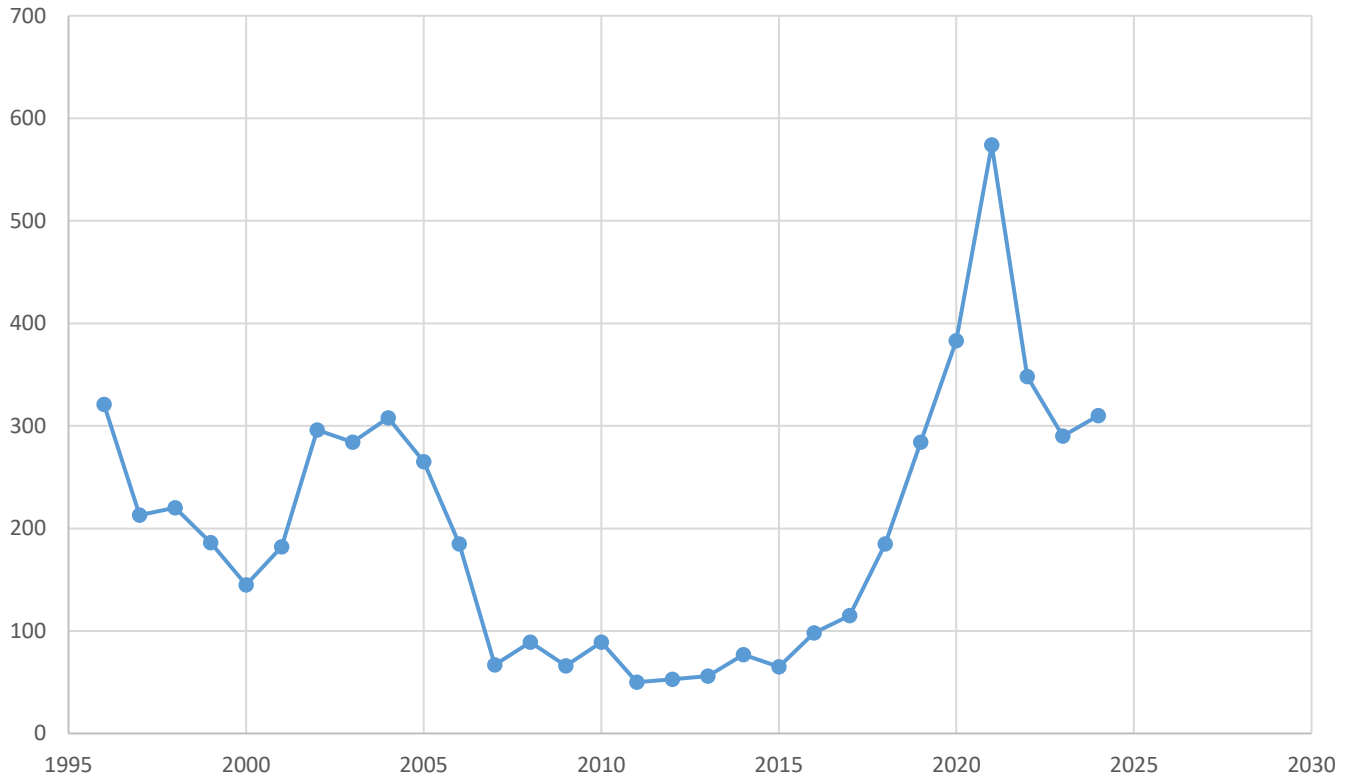
### Commercial/Industrial Construction Activity



### Commercial Permit Valuation Comparison By Month 2023-2024



Residential Permits - New Construction  
1996 to 2024





**TO:** President Bailey and Members of the Economic Development Authority

**FROM:** Gretchen Larson, Economic Development Director

**DATE:** November 6, 2024

**RE:** Business Retention and Expansion Program Updates

---

Staff has worked with the Chamber and Grow MN! to finish the analysis of the BRE survey and tally the results. Fifty businesses, out of approximately 260 in the city, completed the survey, two requested an in-person visit but did not provide contact information. When we share the results using the original survey list, we will note that two businesses requested in-person visits and encourage them to reach out to us directly with their information.

In conducting the review, we noted that some questions may need to be tweaked to get more specific responses. None of the above for example as an option about growth, doesn't necessarily provide insight into the type of growth they were experiencing so we will work on tweaking some of allowed responses for the survey next year.

One thing we have learned as a part of this process and over the past three years, is that regular outreach to the Chamber, our businesses, and our partners, has strengthened our relationships. As the teams at 3M, Hohenstein's and others shared, we know where to find the city team when we need help or information for projects and programs we are working on. Another observation was that the question regarding satisfaction with city services indicated that most respondents were happy or very happy with the services the city provides.

Businesses were encouraged to complete the survey by having the chance to be entered into a drawing to win a team building or afterhours event with their colleagues. The prize was \$250 for food and non-alcoholic beverages at River Oaks on a date of their choice, subject to availability. The winner of the drawing was Tradehome Shoes and staff has reached out to them to let them know and will connect them with the team at River Oaks to make arrangements for their event.

Sean O'Neill with Grow MN! will be at the meeting on Tuesday to present the final report and discuss the results with the board and answer questions.

### **Recommendation**

Receive report.

### **Attachments**

*Final Survey Results*



**TO:** President Bailey and Members of the Economic Development Authority

**FROM:** Gretchen Larson, Economic Development Director  
Crystal Raleigh, Assistant City Engineer  
Genevieve Tester, Graduate Engineer

**DATE:** November 5, 2024

**RE:** Consider issuing a Request for Proposal (RFP) to select Internet Service Provider (ISP's) to create and implement a city-wide broadband program

---

The city recently received applications from ISPs, who are looking for locations to place their fiber optic networks in our neighborhoods. These requests gave us the opportunity to think upstream about the city as a whole and how we could best serve our residents, our growing business park, and connect all our city facilities with their present and future fiber optic needs.

We knew that it was important to understand both the current and future needs of telecommunication infrastructure which would require expert analysis. The IT and engineering staff reached out to companies who specialize in the planning, design, construction, and management of fiber optic networks. At the city council meeting of November 6, the Council approved a staff recommendation to hire Hometown Fiber to assist the city with a broadband program that will establish a baseline of technical information of where our fiber networks are and will serve as a foundation for informed decision-making for commercial, industrial, and residential projects moving forward. Costs approved for this project were \$22,528.00 and are detailed in the attached memo from IT Manager Brian Bluhm.

The next part of this process is to request that the EDA consider hiring Hometown Fiber to assist with creation and issuance of a Request for Proposals to construct a city-wide broadband program in an organized, effective, and efficient manner that also helps us manage the limited space within the City's rights of way. Hometown Fiber has helped counties, towns, and townships take control of their internet future. Their mission is to create plans that allow local leaders to achieve their broadband goals for the entire city.

We know that the city business park and our business community in general, need more robust and expanded fiber optic networks. This project will allow them to continue to plan for the future and make needed capital investments to expand and grow their businesses and create jobs. The cost for the proposal from Hometown Fiber is \$19,772.00. Hometown Fiber has submitted the following schedule:

**Schedule:**

Nov 12: EDA considers a proposal from Hometown Fiber to create and issue an RFP

Nov 30: Completion of Broadband Aware field work (weather dependent) under city council contract

Dec 30: Final Broadband Aware Map

Jan 15: Issue RFP

Feb 15-28: Review proposals and make selection

**Recommendation**

Approve the proposal from Hometown Fiber in an amount not to exceed \$19,772.00 with funds coming from professional services line item in the 2025 EDA budget. Staff notes that fees may be recouped for the project from future permitting fees.

**Attachments**

Professional Services Agreement from Hometown Fiber

Memo dated 11/06/24 for Broadband Aware Program



**HOMETOWN FIBER**  
Own Your Future

**Proposal**

# **Cottage Grove**

## **Base Scope**

V1.R1

October 17, 2024

**Submitted to:**

Crystal Raleigh, Assistant City Engineer  
craleigh@cottagegrovemn.gov

**Submitted by:**

Kyle Moorhead, President  
kyle@yourhometownfiber.com  
612.778.8572

**HOMETOWN FIBER**

601 Carlson Parkway, Suite 1079 | Minnetonka, MN 55305  
763-299-9500 | yourhometownfiber.com

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## INTRODUCTION

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Thank you for the invitation to submit a proposal to help Cottage Grove with your broadband projects.

## YOUR GOALS, PRIORITIES & POSSIBILITIES

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Cottage Grove is concerned about several large communication projects being installed by several different companies in well-established neighborhoods throughout the community. Because of that concern, Cottage Grove is considering issuing an RFP to interested ISPs to build and operate a high-speed fiber network on a city-wide basis. The provider would connect and provide service to all City buildings and would offer symmetrical internet solutions throughout the business park, underserved neighborhoods, and eventually the entire community.

## SCOPE OF WORK

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Our work together begins with the Hometown Fiber team digging in to get a solid understanding of your broadband needs and goals. We will help develop the scope of the RFP, we will assist staff with the evaluation of proposals received and generally provide expertise throughout the selection process.

## DELIVERABLES

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Hometown Fiber will deliver the following:

- Attend staff meetings as needed.
- Work with staff to create a draft of the RFP.
- Score proposals received and provided recommendations.
- Provide Cottage Grove general access to Hometown Fibers broadband experts though the selection process.

## BASE SCOPE OF WORK ESTIMATE

---

We are optimistic that Hometown Fiber's experience and efficiency will result in a competitive price

**PRICE: \$ 19,772**      nineteen thousand seven hundred seventy-two and 00/100      (dollars)  
*Numerical*                      *Written*



## THE FINE PRINT...

---

Our proposal and cost estimates herein are based on the following Rates, Fees and Terms. If additional work is required, outside this scope of work, Hometown Fiber will use these calculations to determine costs. Additional work requires prior approval to proceed.

## RATES

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All rates are calculated per-person, per-hour.

Civil Engineers	\$160	Associate Consultants	\$80
Principal Consultants	\$150	Executive Assistants	\$50
Senior Consultants	\$120		

## FEES

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Mileage	\$ .67/mile/vehicle	GIS Map Hosting	\$958/year
Travel Per Diem	\$200/person/day	Other expenses	Cost plus 10%

## TERMS

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Hometown Fiber will honor the prices herein until December 31, 2024. Hometown fiber will lock the rates for the project upon receipt of authorization to proceed. Hometown Fiber works with Progress Payments:

- Deposit 50%
- Milestone 1 30%
  - Draft RFP
  - Completion of field work
- Milestone 2 10%
  - Issue RFP's
  - Draft GIS Map completion
- Milestone 3 10%
  - Review respondents' proposals
  - Final GIS maps

Hometown Fiber will proceed to the next step once the prior progress payment has been received. Any work outside the stated scope of work shall be agreed to before any work is completed.



## ANTICIPATED TIMELINE

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Hometown Fiber will start this work upon authorization to proceed and receiving a deposit. Hometown Fiber can conclude the work within three months from the start date.

Authorization to proceed	November 15, 2024
Field-Work complete:	November 30, 2024
Draft RFP	December 30, 2024
Review proposals received	January 30, 2024



## QUALIFICATIONS

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Our most experienced tech has over **35 years** of experience. Hometown Fiber has included **similar projects** for review.

For the past 35 years Moorhead has worked closely with municipalities to solve technology challenges, including designing and building private fiber optic municipal networks. His sister company, MoreCom, also worked with the Administrative Office of the United States Courts (AOUSC or AO) to modify courtrooms all over the United States for various audio visual and remote judge/witness/attorney capabilities built-into the architecture of the courtroom.

Hometown Fiber's technical team's expertise encompasses field analysis, project planning & feasibility, design, network architecture, civil engineering, construction administration and project management in the areas of outside plant, central offices, data centers, network security, construction, operations, fiber optics, twisted pair, coax, and wireless. Our wireless experience includes radio frequency engineering, radio frequency interference, electro-magnetic pulse, as well as maintenance of communication towers and facilities. This knowledge is used to create a detailed analysis of the reliability and conditions of technology currently providing services. Overall, our team's experience and expertise include:

- **State, County, Town and Township.** We understand the pressures facing public entities today and have experience collaborating with elected officials, public employees, economic development authorities, and community leaders.
- **Networks.** 35 years in fiber optics, copper, twisted pair, cable, wireless and other telecommunication technologies. Our network expertise includes field verification, planning, design, network architecture, specifications, construction administration and operations of both inside and outside plants.
- **Regulatory/Legal.** Previous work includes regulatory and legal requirements of the FCC, state, county and local governments and business and industry. Our experience spans public safety, commercial, communication towers, broadcast, satellite, fiber optics and more.
- **Services.** Our team's expertise are focused on providing technical consultation for community leaders to ensure they have solid, objective, complete information on which to make the best broadband decisions for their community. The Hometown Fiber team members bring with them long-term relationships and reputations built on honesty, trust, respect and exceptional work.
- **Partnerships.** In addition to Hometown Fiber's team, our business partners have experience creating and working with public-private sector partnerships, nonprofits, cities, counties, school districts, health care organizations, policy advocates, foundations, and more.



## OUR TEAM

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**Kyle Moorhead, president.** Kyle has served as a technology consultant for cities, counties, states, the federal government, ISPs, and business leaders to solve technology challenges for 35+ years. In addition to directly connected fiber optic networks in Hopkins and Litchfield, Kyle has managed multi-million-dollar projects. He has designed, built and repaired fiber networks for Lumen, Comcast, FAA, Nu-Tel, Windstream and Zayo. As president of Hometown Fiber, Kyle is empowering communities with broadband services that are affordable, dependable and fast.



**Eileen Smith, vice president.** Eileen is enthusiastic about making complex topics easy to understand. She has done it throughout her 35+ year career in rural journalism, health care and public schools. By working with Hometown Fiber, Smith has the chance to help leaders make confident, informed decisions as they invest public resources in broadband.



**Mitch Gordon, XO.** Mitch brings his 35+ years of experience in construction and project planning to lead all Hometown Fiber field work. In addition to running the day-to-day as our executive officer, Mitch leads our exclusive field studies. This includes training, GIS mapping, the efficient collection of field data, observations, analysis of field data, and the creation of easy-to-use GIS layers and information.



**Aaron Lesmeister, Network Architect.** Aaron brings over a decade of telecommunications engineering experience to the Hometown Fiber team. He served multiple telecommunications companies working for engineering firms. Aaron combines his holistic understanding of telecommunications and outside plant design with a construction background. He brings a detail-focused, responsible approach to every aspect of his work.



**Steve Jones, financing & grant writing.** Steve brings 30+ years in local government management and economic development to Hometown Fiber's lead financing and grant writing role. His ability includes grant writing, administration, and all other aspects of public financing. This Includes bonds, tax increment financing, tax abatement and fundraising. In addition, Steve's work in economic development, business retention, utility management, capital improvement planning, FEMA disaster mitigation, strategic planning, forecasting and negotiations opens doors to grant opportunities far beyond traditional broadband funding programs.





**Dave “Fiber Dave” Swanson, fiber optics expert.** Fiber Dave designed and built the first fiber optic links in downtown Minneapolis in the 1980s and that fiber is still in service today. His 40+ years of experience includes developing the fiber optic division for CenturyLink. Fiber Dave is a natural mentor who has trained other team members such as Marshall Stueven and Tom Wilson on how to splice troubleshoot and test fiber optic systems. We are honored to have Fiber Dave on our team.



**Clint Johnson, technology analytics.** Clint works with field teams, taking on complex field issues. He spent 36 years making sure Ma Bell, U.S. West, Qwest and CenturyLink customers had telephone and internet service. His ability encompasses all broadband technologies allows Clint to easily navigate through the most complex of technical issues. Clint is a US Coast Guard Veteran and is quite a character.



**Marshall Stueven, technician.** Marshall began his career with MoreCom, a Hometown Fiber sister company, over 16 years ago and has worked in all areas of technology. Everything from new fiber network construction to data centers and field verification to GPS locating. At Hometown Fiber he is an expert in field data collection, and GIS field services.



**Tom Wilson, technician.** Tom began his career with MoreCom over 17 years ago and has worked in all areas of technology. Tom has worked on data centers, city hall projects, fiber network construction, emergency fiber restores, network troubleshooting and GPS locating. At Hometown Fiber he is an expert in field data collection, and GIS map services.

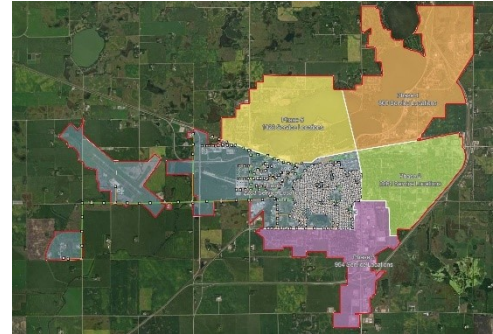


## CASE HISTORIES

Below are clients that have hired Hometown Fiber for similar services. We selected a mix of clients and the services they received for this proposal.

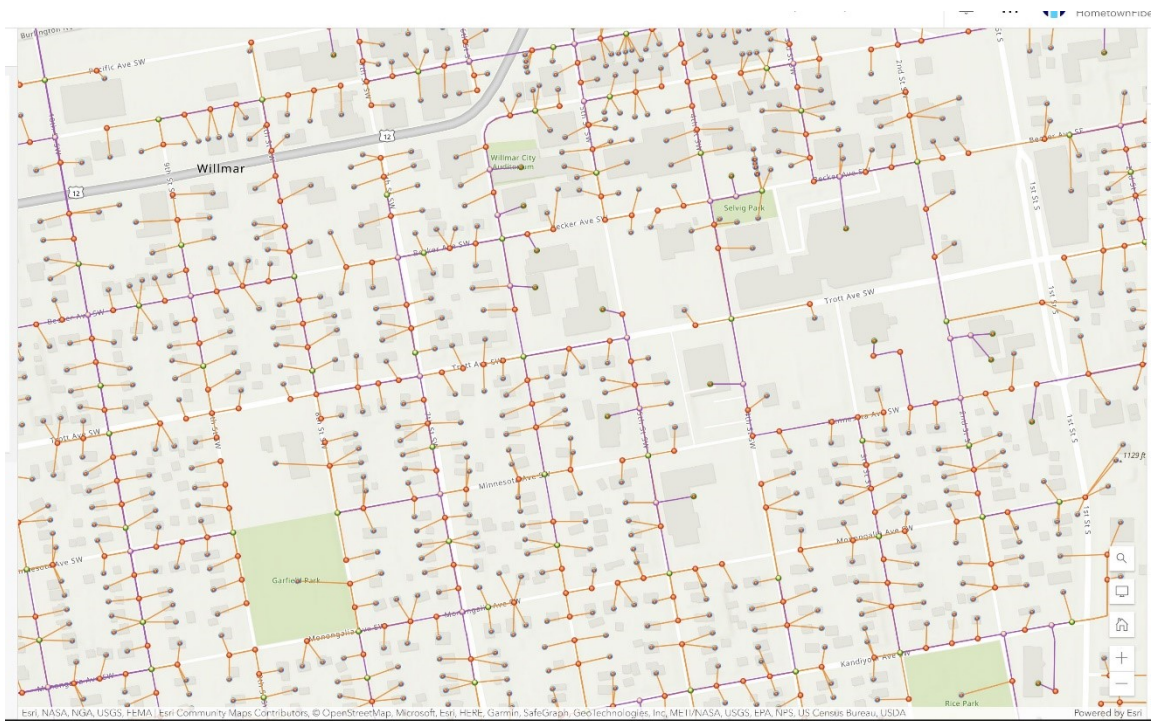
### City of Willmar, Minnesota. Connect Willmar Initiative.

Hometown Fiber's work began with Willmar from a response to an RFP. Following conversations with respondents, the city conducted extensive interviews with communities and broadband infrastructure companies throughout the country. While what is called open fiber networks are successful in other parts of the country (Utah, Ohio, California) the concept is new in Minnesota.



Willmar realized the value of Hometown Fiber's proposal to bring an individual, directly connected fiber optic network to the community. The proprietary network design, construction and neutral operations mean people get choice as internet service providers can operate on the network. Since nearly the entire community, population of 21,015, has cable modem service and does not qualify for grants. Municipal Bonds will be sold to finance the project. Project website: [willmarmn.gov/connect-Willmar](http://willmarmn.gov/connect-Willmar).

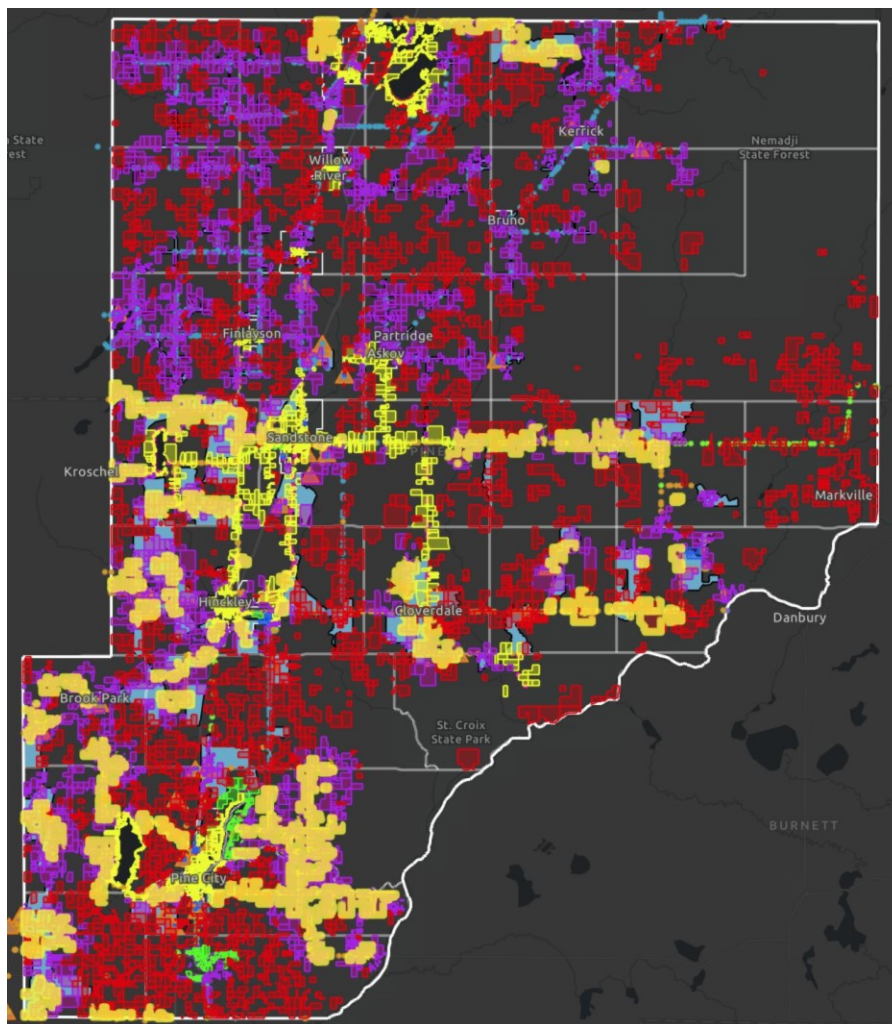
**Contact:** Kyle Box, City Operations Director, [kbox@willmarmn.gov](mailto:kbox@willmarmn.gov), 320.214.5172.



## Pine County, Minnesota. Consulting and Construction Administration.

The county contracted with Hometown Fiber's to define priorities and goals, perform a field study, mapping existing infrastructure, property ratings, technology assessment, partnerships and funding options, development of a county grant program and recommendations. Hometown Fiber also conducted construction administration services to ensure a project with direct federal funding is built to specifications and public funds are spent as approved. Hometown Fiber continues to serve as Pine County's broadband consultant and will be working with the county to determine how to get service to the remaining under-served and unserved residents and businesses. This project covered 1,435 square miles with 29,200 residents. Project Webpage: <https://pine-county-broadband-consulting-report-htf.hub.arcgis.com>. Please request sign in from Hometown Fiber by contacting [mitch@yourhometownfiber.com](mailto:mitch@yourhometownfiber.com)

**Contact:** Lezlie Sauter, county economic development coordinator, [lezlie.sauter@co.pine.mn.us](mailto:lezlie.sauter@co.pine.mn.us), 320.591.0019.

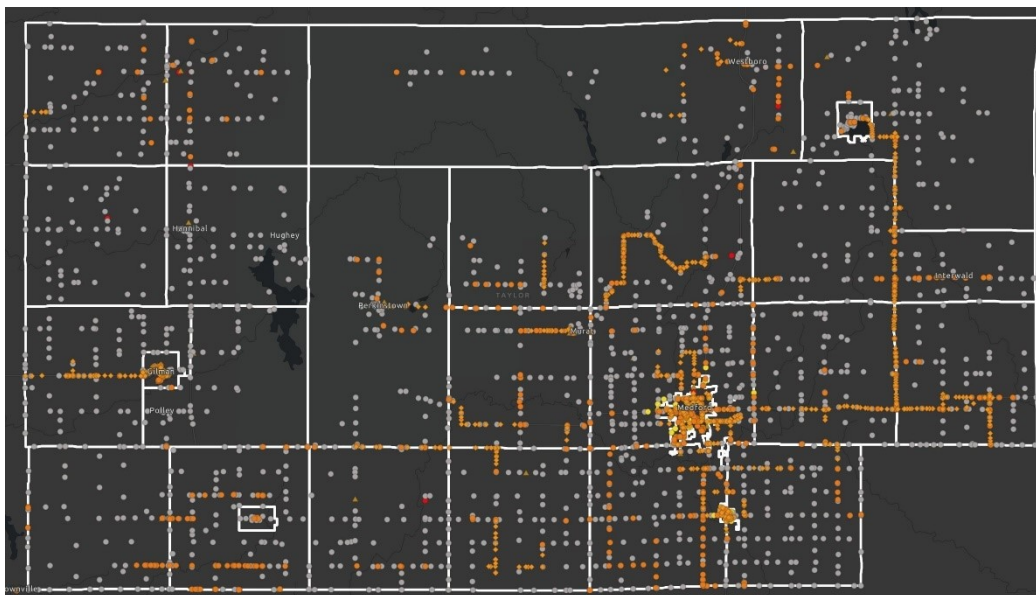


## Taylor County, Wisconsin. Field Verification, High-Level Design.

The county made attempts to tackle their broadband on their own with both success and frustration. Hometown Fiber reviewed the existing and planned efforts, analyzed available data and evaluated the viability of the path forward. We examined and reviewed information, studies, reports, maps and data already assembled. We listened to concerns, and priorities, and learned what is important to Taylor County. These steps make sure we do not waste any resources duplicating work, and that our recommendations solve challenges for decades to come.

Using the data and analytics assembled during our broadband analysis, data consolidation and verification process, Hometown Fiber was able to provide the next step for the county. A conceptual design for the most efficient route for a fiber optic network that reaches all homes, businesses and any publicly owned facilities without fiber optics today was also provided. The design and financial proforma are necessary for grant applications and other funding sources. This project covered 984 square miles with 19,913 residents. Project Webpage: <https://www.yourhometownfiber.com/taylor-county>

**Contacts:** Grant Bub, Broadband Coordinator, [grant.bub@co.taylor.wi.us](mailto:grant.bub@co.taylor.wi.us), 715.785.8359



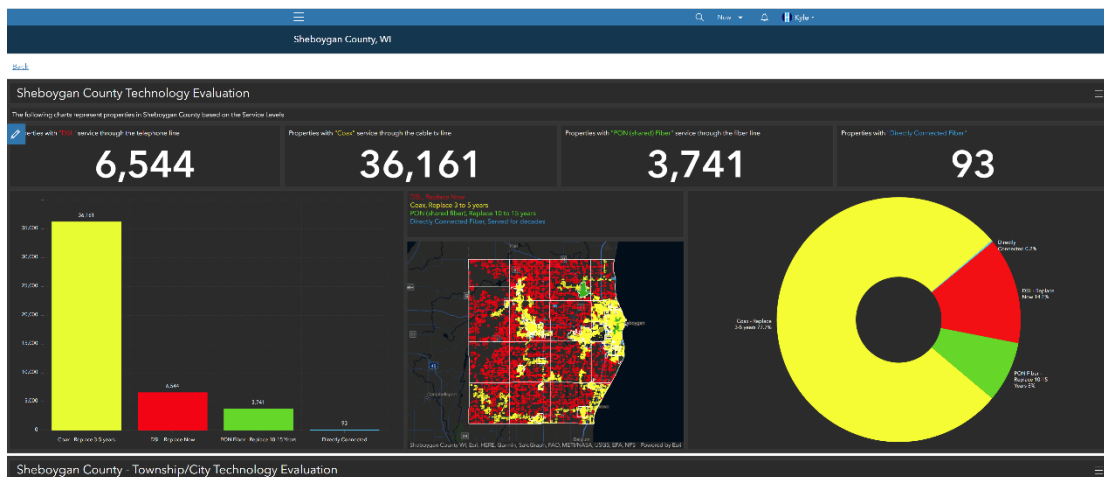
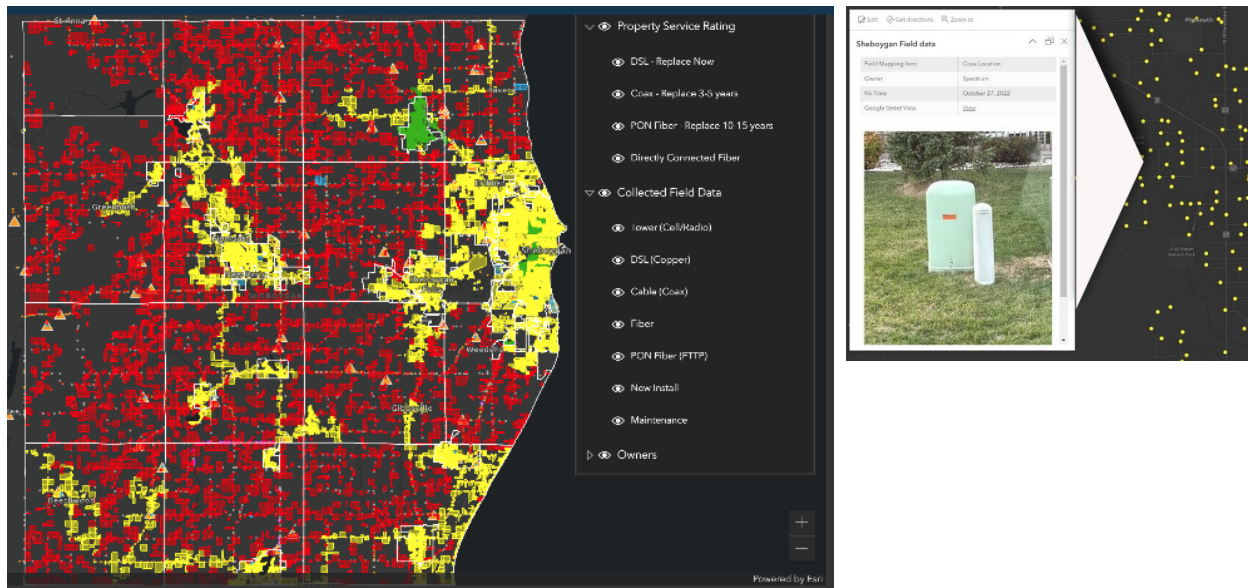
## Sheboygan County, Wisconsin

The county wanted to ensure it has the facts it needs to make wise investments in the future. Hometown Fiber identified communications, conducted map verification work, and assessed service availability at every property within the county. The county received both printed and online reports, interactive maps, and GIS layers of 14,000 broadband technology data points collected throughout the entire county. This project covered **1,271 square miles** with 118,034 residents.

Project Webpage: <https://sheboygan-broadband-consulting-report-htf.hub.arcgis.com/>

Please request sign in from Hometown Fiber by contacting [mitch@yourhometownfiber.com](mailto:mitch@yourhometownfiber.com)

Contact: Chris Lewinski, County director of information technology,  
[chris.lewinski@sheboygancounty.com](mailto:chris.lewinski@sheboygancounty.com), 920.459.0335.



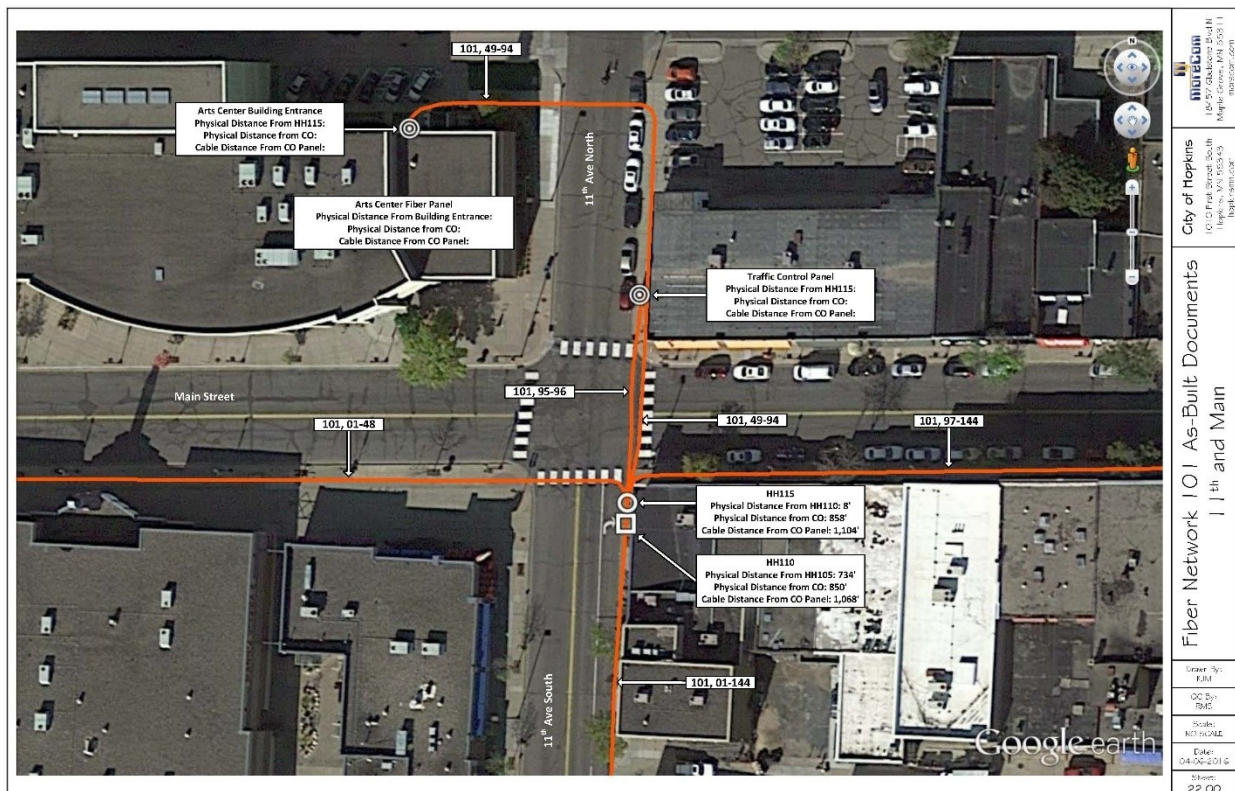
## Hopkins, Minnesota. Municipal Fiber Optic Network.

Hopkins used multiple technologies and services to provide city services. It was not reliable, and the technologies did not work well together. Together Moorhead's team, along with Bolton & Menk, designed and built a private fiber-optic network connecting key City buildings and departments. Like in Litchfield, the work greatly improved City operations.

Hopkins has experienced zero downtime (as of October 2024) since the network began operating in 2015. Kyle Moorhead designed proprietary elements that ensure easy, accurate, and fast utility locating. The City of Hopkins now enjoys the flexibility and capabilities of the infrastructure accommodating everything from SCADA links to Voice over Internet Protocol phone service and high-speed data. Hopkins continues to add services and grow its fiber optic network.



**Contact:** Alex Hepp, information officer, City of Hopkins, ahepp@hopkinsmn.com, 952.548.6305

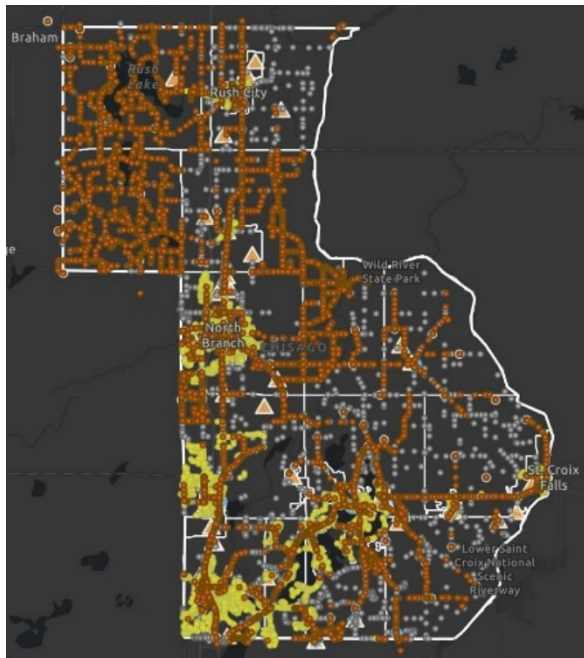
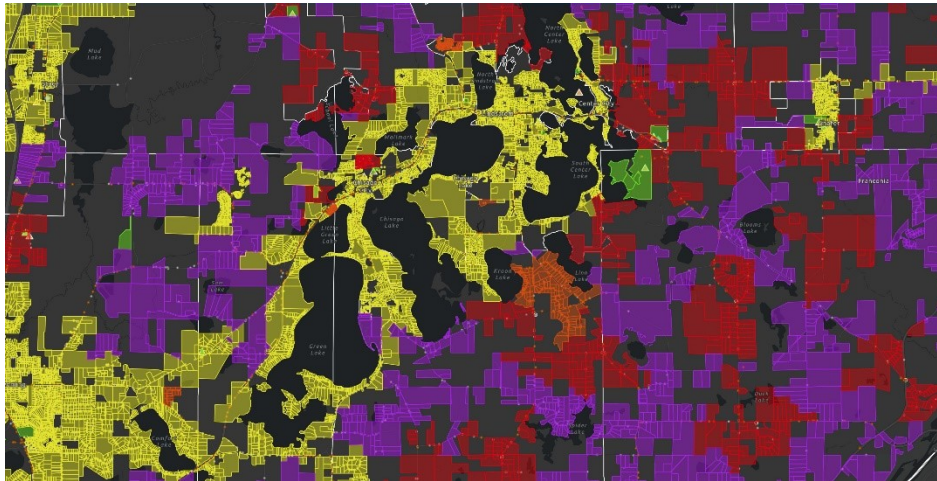


## Chisago County, Minnesota

Chisago county has a mix of served, underserved and unserved areas throughout the county and Hometown Fiber identified and verified those areas for the county. The data from the 15,000 data points collected held value in determining which areas the county needed to focus on. A conceptual design and cost estimate was also created for each of the 20 municipal boundaries within the county. This project covered **442 square miles** with 56,621 residents.

Project Webpage: <https://chisago-county-broadband-consulting-report-htf.hub.arcgis.com>

**Contact:** Chase Burnham, County Administrator, [Chase.Burnham@chisagocountymn.gov](mailto:Chase.Burnham@chisagocountymn.gov), 651.213.8830

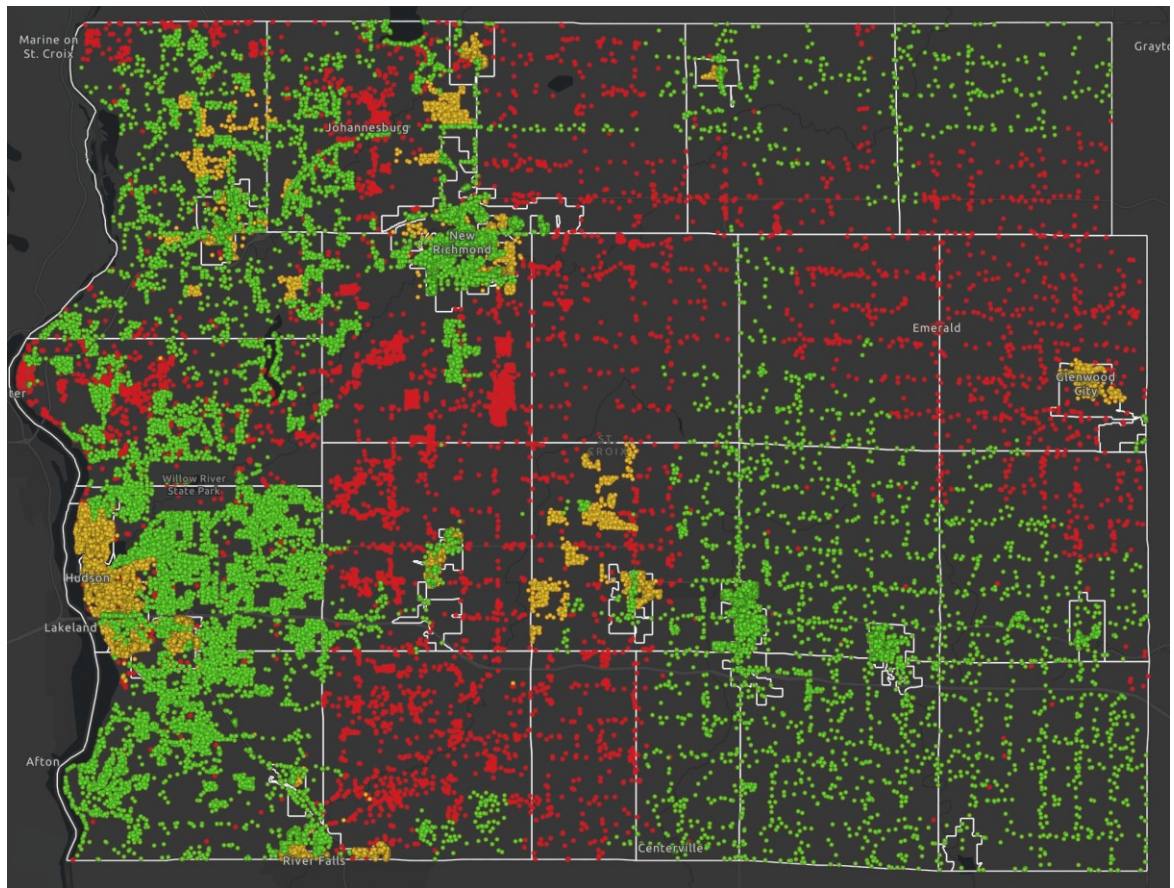


## St. Croix County, Wisconsin. Field Verification.

With the recent surge of federal funding available and providers rapidly installing broadband, the county wanted to get an up-to-date understanding on the broadband progress within their county. Hometown Fiber conducted field verifications and analyzed information collected. We then comparing it to the publicly available data and provided the county a verified state of the current broadband efforts being made within the county. This project covered 736 square miles with 95,536 residents.

Project Webpage: <https://www.yourhometownfiber.com/stcroix-county>

**Contact:** Ken Witt, County Administrator, [ken.witt.sccwi.gov](mailto:ken.witt.sccwi.gov), 715.386.4600



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## Litchfield, Minnesota. Municipal Fiber and Data Center.

Hometown Fiber's founder Kyle Moorhead and Bolton & Menk have been working together since 2004 to serve the City of Litchfield, Minnesota. In 2010 the city faced unreliable communication between City buildings and utilities. The communication breakdown had an impact on community-wide critical infrastructure including water, wastewater, electricity, water tower, water pumps, water meters, public safety. The disruptions impacted basic city services such as phones, networked computer operations, utility operations and more. This project's successful network design, construction and operation proved the technical model works. What was once not economically feasible for small communities is now a solution that ensures reliable, affordable, and fast broadband for decades to come. Ending the need for ongoing government subsidies.

### Process

- Met with City leadership to document the goals and priorities. Digging deep into the challenges facing the City, the project team ensured solutions fixed not only immediate issues but accounted for future needs as well.
- Developed a five-year technology plan with actionable, phased priorities.
- Designed a private fiber optic network connecting utilities and city facilities.
- Managed all aspects of the projects from start to finish.
- Coordinated and worked with all city departments, local internet service providers, local contractors and subcontractors.

### Result

- Reliable network.
- Enhanced security by removing critical city services from the internet.
- Achieved 99.9999% up time over 13 years. One building experienced a four-hour outage in 2020.
- Extremely low operating and maintenance costs.

**Contact:** George Baldwin, Manager Litchfield Electric Utility, [george.baldwin@ci.litchfield.mn.us](mailto:george.baldwin@ci.litchfield.mn.us), 320.296.1114



## REFERENCES

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### **Kyle Box**

Operations Director  
City of Willmar  
kbox@willmarmn.gov  
320.214.5172

### **Michael Bub**

Chair, Broadband Committee  
Taylor County Wisconsin  
michael.bub@co.tayolor.wi.us  
715.748.1400

### **Bradley C. DeWolf**

President & CEO  
Bolton & Menk  
Bradley.dewolf@bolton-menk.com  
612.756.1032

### **Jamie Bah**

Manager, Information Systems  
City of Litchfield  
jamie.bah@ci.litchfield.mn.us  
612.804.0630

### **Jimmy Schermer**

Regional Vice President  
MP Nexlevel  
jimmy.schermer@mpnexlevel.us  
320.963.2427

### **Charles Fullerton**

President of the United States (POTUS)  
Communications, USAF – Retired  
chuck.fullerton@verizon.net  
703.898.0521

### **Lezlie Sauter**

Economic Development  
Pine County  
lezlie.sauter@co.pine.mn.us  
320.591.0019

### **Alex Hepp**

Information Officer  
City of Hopkins  
ahepp@hopkinsmn.com  
952.548.6305

### **Christopher Lewinski**

IT Director  
Sheboygan County  
chris.lewinski@sheboygancounty.com  
920.459.0335

### **John Wiik**

Senator  
State of South Dakota  
john.wiik@sdlegislature.gov  
605.773.3821

### **Ken Witt**

County Administrator  
St. Croix County  
ken.witt.sccwi.gov  
715.386.4600

### **Claudia Bloom**

President  
B2G Sales  
cbloom@b2gsalesllc.com  
612.900.4026





October 14, 2024

Crystal Raleigh  
Assistant City Engineer  
City of Cottage Grove  
12800 Ravine Parkway S  
Cottage Grove, MN 55016

Crystal,

Thank you for the opportunity to submit this information for your consideration.

The events of the '20s make it clear that reliable, high-speed internet is a critical infrastructure. Families and businesses without it are left behind.

Please contact me any time. All of us at Hometown Fiber look forward to collaborating with you through this process to ensure the final product provides the expert technical and economic information needed to make the best decisions for your community.

Sincerely,

Kyle Moorhead, President  
Hometown Fiber  
kyle@yourhometownfiber.com  
C: 612.819.9077  
yourhometownfiber.com

Hometown Fiber

601 Carlson Parkway, Suite 1079 | Minnetonka, MN 55305  
612.819.9077 | kyle@yourhometownfiber.com  
yourhometownfiber.com

**AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT (“Agreement”) is made and executed this \_\_\_ day of \_\_\_\_\_, 2024, by and between the Cottage Grove Economic Development Authority, 12800 Ravine Parkway, Cottage Grove, Minnesota 55016, (“EDA”) and Hometown Fiber, 601 Carlson Parkway, Suite 1079, Minnetonka, Minnesota 55305 (“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 the following documents:
  - i. A proposal dated October 17, 2024, incorporated herein as Exhibit A.
  - ii. Other documentation incorporated herein as Exhibit B.
  - iii. Where the terms and conditions of this Agreement and those terms and conditions included in the Exhibits specifically conflict, the terms of this Agreement shall apply.Collectively referred to as the “Exhibits”
- b. Consultant covenants and agrees to provide the Services to the satisfaction of the EDA in a timely fashion, as set forth in the Exhibits, subject to Section 7 of this Agreement.
- c. Consultant agrees to comply with all federal, state, and local laws and ordinances applicable to the Services to be performed under this Agreement. The Consultant represents and warrants that it has the requisite training, skills, and experience necessary to provide the Services and is appropriately licensed and has obtained all permits from all applicable agencies and governmental entities.

2. PAYMENT.

- a. EDA agrees to pay and Consultant agrees to receive and accept payment for the Services as set forth in the Exhibits.
- b. Any changes in the scope of the work of the Services that may result in an increase to the compensation due to Consultant shall require prior written approval by the authorized representative of the EDA or by the EDA Board. The EDA will not pay additional compensation for Services that do not have prior written authorization.
- c. Consultant shall receive payment from the EDA in accordance with the payment schedule outlined in the Exhibits.

3. TERM. The term of this Agreement is identified in the Exhibits. This Agreement may be extended upon the written mutual consent of the parties for such additional periods as they deem appropriate, and upon the same terms and conditions as stated herein.

4. TERMINATION.

- a. Termination by Either Party. This Agreement may be terminated by either party upon thirty (30) days' written notice delivered to the other party to the addresses listed in Section 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 incurred 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 Exhibits. The Consultant shall pay any subcontractor involved in the performance of this Agreement within 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; 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 Kyle Moorhead to be the primary contact for the EDA in the performance of the Services. He shall be assisted by other staff members as necessary to facilitate the completion of the Services in accordance with the terms established herein. Consultant may not remove or replace the 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.
- d. Automobile Liability Insurance, with a combined single limit of \$1,000,000 for each person and \$1,000,000 for each accident.

Consultant shall furnish the EDA with certificates of insurance, which shall include a provision that such insurance shall not be canceled without written notice to the EDA. The EDA shall be named as an additional insured on the General Liability Insurance policy.

12. OWNERSHIP OF DOCUMENTS. Professional documents, drawings, 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 emailed: [jlevitt@cottagegrovemn.gov](mailto:jlevitt@cottagegrovemn.gov)

If to Consultant: Hometown Fiber  
601 Carlson Parkway, Suite 1079  
Minnetonka, MN 55305  
Attention: Kyle Moorhead

Or emailed: [kyle@yourhometownfiber.com](mailto:kyle@yourhometownfiber.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. Amendments. Any modification or amendment to this Agreement shall require a written agreement signed by both parties.

- c. 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.
- d. 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.
- e. Severability. If any term of this Agreement is found be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect.
- f. Data Practices Compliance. All data collected by the EDA pursuant to this Agreement shall be subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13.
- g. Entire Agreement. This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.

[The remainder of this page is intentionally left blank]

**COTTAGE GROVE ECONOMIC DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_

Myron Bailey, President

By: \_\_\_\_\_

Jennifer Levitt, Executive Director

Date: \_\_\_\_\_

**HOMETOWN FIBER (“CONSULTANT”)**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_



**To:** Honorable Mayor and City Council  
Jennifer Levitt, City Administrator

**From:** Brian Bluhm, IT Manager

**Cc:** Crystal Raleigh, Assistant City Engineer

**Date:** November 1, 2024

**Subject:** Hometown Fiber Broadband Aware

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### **Introduction**

Broadband Aware services provide essential information for informed decision-making regarding community development and infrastructure projects, such as street and utility upgrades. Understanding the current and future needs of telecommunication infrastructure requires expert analysis.

### **Hometown Fiber and Broadband Aware Overview**

Hometown Fiber is a Broadband Consultant specializing in the Planning, Design, Construction and Management of Fiber Optic Networks. Transforming Communities into the Next Generation Broadband.

The Broadband Aware program will establish a baseline of technical information, serving as a foundation for informed decision-making as commercial, industrial, and residential projects progress in the City of Cottage Grove. Key deliverables from the Broadband include:

- Layered mapping for ESRI GIS
- GPS positioning of identified field items
- Photos of each item
- Identification of infrastructure type (phone, coax, fiber optic)
- Ownership information for each asset
- City ownership of all data collected

### **Budget Implications**

The Broadband Aware program cost of services is \$22,528 and will be funded through cost savings realized in the 2024 Information Services budget.

### **Staff Recommendation**

Staff recommends the approval of the scope of work and services proposed by Hometown Fiber for the Broadband Aware program, at a cost of \$22,528.



**HOMETOWN FIBER**  
Own Your Future

Proposal

# Cottage Grove

## Add Alternate One



V1.R0

October 18, 2024

**Submitted to:**

Crystal Raleigh, Assistant City Engineer  
craleigh@cottagegrovemn.gov

**Submitted by:**

Kyle Moorhead, President  
kyle@yourhometownfiber.com  
612.778.8572

**HOMETOWN FIBER**

601 Carlson Parkway, Suite 1079 | Minnetonka, MN 55305  
763-299-9500 | yourhometownfiber.com

## BROADBAND AWARE

Broadband Aware services provide you with information needed to make informed decisions. Valuable information with community development and infrastructure projects such as, street and utility upgrades. Understanding the current and future needs of telecommunication infrastructure requires experts in broadband to complete. Hometown Fiber is here to help.



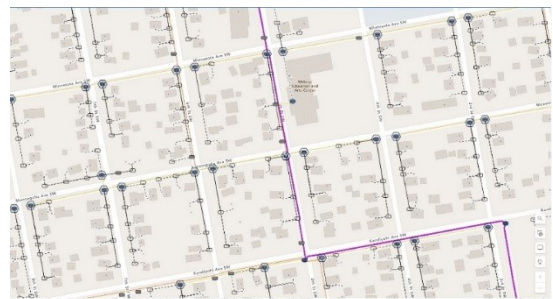
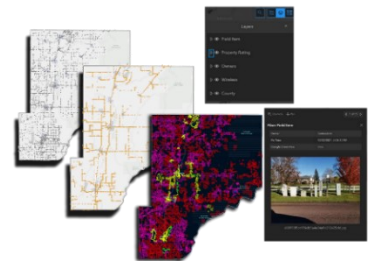
Broadband maps available today are completed with information provided by others and not independently verified by industry professionals. The maps today are missing critical information such as location of in-field infrastructure. This produces inaccurate information which is being used to make multi-million-dollar decisions. If you do not know what infrastructure exists, how can you make good decisions about future projects? Hometown Fiber goes beyond the resources publicly available. We gather fundamental telecommunications information with our Broadband Aware services.

Our process begins with boots-on-the-ground observations and documentation of existing key broadband assets begins the translation. Our in-field process achieves independently verified and up-to-date information. Once we have concluded the field work, our team reviews the data collected and identifies each serviceable location in categories of phone (DSL), cable (COAX), and fiberoptic. This thorough field analysis of existing broadband technology gives you a photographic and technical review on the condition of existing systems and provides the data in creating a better path towards the goals.



Our team then compiles the information into an easy-to-use GIS Interactive Map with logical layers showing infrastructure observed.

- GIS map layers of telecommunication infrastructure we observe
- Identify burial, aerial, phone, coax, fiber, and ownership
- GPS location and photographs of infrastructure
- Identify maintenance issues
- Host GIS map layers on-line for one year
- FCC challenges when discrepancies are observed
- City-Wide, high-level network design



## DELIVERABLES

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Broadband Aware achieves a baseline of technical information and is used as a foundation for informed decision-making as the projects progress.

Hometown Fiber will provide the following Deliverables within Add Alternate 1:

- Hometown Fiber field technicians shall visit Cottage Grove and document the city-wide telecommunication infrastructure we observe with boots-on-the-ground (weather dependent)
- Provide an ESRI GIS map that includes
  - Multiple layers
  - GPS position of each field item observed
  - Photo of each item observed
  - Identify if it is phone, coax, or fiber optic infrastructure
  - Identify key items such as Central Offices, DSLAMs, or PON cabinets
  - Identify owner of infrastructure
  - The GIS map includes layers with location (within 10') of infrastructure items observed
  - A one-page executive summary of our field verification findings
  - One-year of on-line map hosting
  - Cottage Grove will have the ability to download the GIS data
- Building off of items observed in field we will create a city-wide, high-level, fiber-optic design
  - Multiple layers
  - Used to estimate cost per pass and where subsidy may be required
  - Lines identifying trunk, laterals, and drops
  - Symbols showing hand holes, multi-service terminals, splice locations, etc.
  - Design and cost to build estimate for a municipal network

## ADD ALTERNATE ONE: ESTIMATE

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### FLAT FEE

**PRICE: \$22,528**      twenty-two thousand five hundred twenty-eight      (U.S. dollars)  
*Numerical*      *Written*



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## THE FINE PRINT...

Our proposal and cost estimates herein are based on the following Rates, Fees and Terms. If additional work is required, outside this scope of work, Hometown Fiber will use these calculations to determine costs. Additional work requires prior approval to proceed.

## RATES

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All rates are calculated per-person, per-hour.

Civil Engineers	\$160	Associate Consultants	\$80
Principal Consultants	\$150	Executive Assistants	\$50
Senior Consultants	\$120		

## FEES

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Mileage	\$ .67/mile/vehicle	GIS Map Hosting	\$958/year
Travel Per Diem	\$200/person/day	Other expenses	Cost plus 10%

## TERMS

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Hometown Fiber will honor the prices herein until December 31, 2024. Hometown fiber will lock the rates for the project upon receipt of authorization to proceed. Hometown Fiber works with Progress Payments:

- Deposit 50%
- Milestone 1 30%
  - Field-Work complete
- Milestone 2 10%
  - Draft GIS map
  - Draft high-level design
  - Draft summary
- Milestone 3 10%
  - Final GIS Map
  - Final high-level design
  - Final summary

## ANTICIPATED TIMELINE

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Hometown Fiber will start this work upon authorization to proceed and receiving a deposit. Hometown Fiber can conclude the work within three months from the start date.

Authorization to proceed	November 15, 2024
Field-Work complete (weather dependent):	November 30, 2024
Draft issue	December 16, 2024
Final issue	December 30, 2025





**TO:** President Bailey and Members of the Economic Development Authority

**FROM:** Gretchen Larson, Economic Development Director

**DATE:** November 6, 2024

**RE:** Property Appraisal – 9430 East Point Douglas Rd. S

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## **Background**

The Cottage Grove Economic Development Authority (EDA) will sometimes purchase property to facilitate development in city. In making these decisions the EDA looks to purchase parcels that are not consistent with future land use or development plans within the community. In all cases the EDA and the City work to leverage these parcels for investment in the form of property tax and job creation in the community.

## **Discussion**

The property located at 9430 East Point Douglas Rd. S is 3.59 acres and is currently used as the resident of Mrs. Martha Ross. Sadly, Mr. Ross has passed away and Mrs. Ross is open to selling the property so that she can move into smaller, more manageable accommodations. In December of 2022, the EDA received a report from HVS, a hospitality firm specializing in hotel feasibility studies. The report found that the city could support a 90 unit, branded hotel with the ideal location being on 80<sup>th</sup> Street, though several other sites were also recommended, including the Ross property. The Ross property is adjacent to Walmart on the east and The Shoppes at Cottage View property to the north. While the property is currently being used as residential, it is guided to be mixed-use retail/commercial.

Earlier this year the CVB engaged the services of Chandler Thinks to evaluate tourism efforts in the city and what we could do to enhance or increase our presence in the tourism market. One topic that kept coming up in the group and one-on-one discussions, was that the city was losing opportunities for overnight stays to the City of Woodbury due to the lack of adequate hotel space. To evaluate the potential loss of revenue we are conducting a survey of area businesses to gauge from them how many out of town vendors, contractors, suppliers and corporate team members come to their facilities and have the need to stay overnight and where to they typically stay. That survey close on November 8 and the team at Chandler Thinks will evaluate the results and share their findings on the potential loss of revenue in their Phase 2 report.



*Property Location*

### **Appraisal Quotes**

Although the property currently has a single family home on it, the true benefit of potentially purchasing the property comes in the form of controlling the land for redevelopment in the future. To do the proper due diligence and to make sure the EDA does not overpay for the property, quotes for appraisals of the property were requested from BRKW Real Estate Valuation Services and Patchin Messner Valuation Counselors. The quote from BRKW Real Estate Valuation Services was \$3,200 for the appraisal and Patchin Messner Valuation Counselors quote was \$4,000. Staff is recommending that we engage BRKW Real Estate Valuation Services to conduct an appraisal of the property for a total cost of \$3,200. Mrs. Ross has given her permission for the appraisal to be completed.

The appraisal will give the EDA the necessary information to determine if the land is in line with other recent market sales in the community and can then use the appraisal to determine what the offer the property should be.

### **Recommendation**

Authorize the appraisal of 9430 East Point Douglas Rd. S for the total cost of \$3,200 to be completed by BRKW Real Estate Valuation Services.

### **Attachments**

Appraisal Proposal – BRKW Real Estate Valuations Services

October 31, 2024

Gretchen Larson  
Economic Development Director  
City of Cottage Grove  
12800 Ravine Pkwy. S.  
Cottage Grove, MN 55016

Re: Proposal for Appraisal Services  
Single-Family Home on 3.59 Acres  
Property Address: 9430 East Point Douglas Rd. S., Cottage Grove, MN  
Tax Parcel I.D. #: 22-027-21-34-0002  
Property Owner of Record: Martha J. and James R. Ross

Dear Ms. Larson:

In response to your request and on behalf of BRKW Appraisals, Inc., I am submitting this proposal for our firm to complete a real estate appraisal of the above-referenced property (the Ross Property). It is my understanding that the City of Cottage Grove is interested in potentially purchasing the property to assist in its proposed redevelopment.

### **Purpose/Intended Use/Intended Users**

The purpose of the appraisal is to provide an opinion of the market value of the subject property “as is” as of the date it is viewed. The intended use of the appraisal is for assisting the City of Cottage Grove in the potential acquisition of the subject property to facilitate redevelopment of the property. The intended users are officials of the City of Cottage Grove. The client of this assignment would be the City of Cottage Grove.

### **Subject Property Pertinent Information**

Based on my communications with you and my preliminary online research, the following is a summary of pertinent information on the property to be appraised:

1. The property consists of a two-story single-family home which, according to county records, was built in 1901 and is on a site with a land area of 3.59 acres;
2. Current zoning of the property R-3, is Single Family Residential, but it is guided in the city land use plan for Commercial development;
3. Utilities are immediately available, but it is my understanding that the existing house is not connected to them; and that compared to a “turnkey” commercial site completely ready for commercial use, the Ross Property would be subject to special assessments, trunk charges, area charges, platting/approval fees, and/or similar fees that would have to be paid before a commercial use could be constructed upon it (i.e., the property does not reflect a “turnkey” commercial site).

4. The subject property could be developed with a commercial use via direct access to its fronting street, East Point Douglas Road S.

### **Scope of Work**

Primary Valuation Methods: The three primary valuation methods used by real estate appraisers are the Cost Approach, the Sales Comparison Approach and the Income Approach.

The **Cost Approach** involves first valuing the land and then adding to that the replacement cost new of the building and other improvements, less estimated accrued depreciation due to age and other factors.

The **Sales Comparison Approach** can be used in appraising vacant land or improved properties (land with building). This approach involves comparing recent sales of land or improved properties which are reasonably similar to the property being appraised. Adjustments are made to the prices of the comparable sales for value-related differences relative to the subject property. The result is a reasonably narrow range of adjusted prices which indicate what the subject property likely would sell for if offered on the market. The range of value indications is reconciled into a final, single-point opinion of market value for the property within this valuation approach.

The **Income Approach** involves determining market rent for a property, based on rent comparables from the market, and capitalizing an annual net income from that rent into a property value indication, based on parameters used by investors for similar properties.

The various indications generated by the applicable valuation approaches are reconciled into a final opinion of the subject property market value.

### Anticipated Valuation Method(s) to be Applied

Given the subject property's Commercial land use guiding and its location characteristics, which include close proximity to existing major commercial activity, good Highway 61 visibility, and close proximity to an interchange with Highway 61, it is clear that the subject property's highest and best use conclusion in the appraisal would be for demolition of the existing improvements on the property and development of the land with a commercial use.

Based on this anticipated highest and best use, the property will be appraised by valuing the land, as vacant, using the Sales Comparison Approach. Deducted from the value of the land, as vacant, will be the cost of demolishing the house and supporting site improvements to arrive at the current "as is" property value.

The Cost Approach and Income Approach, as described above, are not applicable in this valuation assignment and thus will not be used in appraising the subject property. Typically, these approaches only apply when a property has improvements with contributory value, which is not the case with the subject property.

## **Report Format**

The appraisal will be communicated in a narrative Appraisal Report format. The level of discussion and detail in the report will be similar to that contained in what is formerly known as the Summary Report format, a report type label which was discontinued by the Uniform Standards of Appraisal Practice (USPAP), effective January 1, 2014. The level of discussion in the report to be submitted to the client can be best described as summarizing the subject property attributes and the appraisal process, but also providing enough information and detail to enable the client and intended users to understand the rationale for the appraiser's opinions and conclusions.

The report will contain supporting data for the appraiser's analysis and valuation, including comparable sales data and the adjustments made to the comparables within the Sales Comparison Approach land valuation; and the report will include the necessary deductions from the land value, as vacant, such as demolition cost, necessary to arrive at the "as is" property value. For an assignment such as that described in this proposal, the appraisal report would likely contain between 40 and 55 pages. Additional notes, data, analyses and other documentation supporting the appraisal are retained in the office appraisal file.

## **Proposed Appraisal Fee**

Based on the anticipated scope of work necessary to properly complete this appraisal assignment (including research on necessary demolition cost deducts as well as research on additional necessary deducts for costs that would be incurred to bring the subject land to finished, final platted "turnkey" site status, which is what the most likely to be selected comparable commercial sites in the valuation already will reflect), I propose the following appraisal fee: **\$3,200.**

## **Payment Terms**

The above-referenced appraisal fee will be invoiced to the City at the time the appraisal report has been completed and transmitted to you. The invoice is payable within 30 days of its issuance.

## **Completion Date**

The appraisal report will be completed by **February 3, 2025.**

## **Deliverables**

A high-quality, full-color electronic copy of the appraisal report, in .pdf format, will be emailed to you upon completion of the assignment. Should the need or desire arise for one or more hard copies of each report as well, our firm could print, bind and mail to you such hard copies, upon your request, with sufficient advance notice.

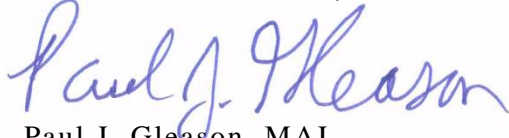
**Engagement for Completion of Assignment**

To engage our firm to complete the appraisal assignment in accordance with the description on the preceding pages of this proposal, please have the appropriate City personnel execute this agreement by signing in the area provided below, and then return a fully executed copy of this proposal to me. I have included areas for two signatures, if needed, in case the City requires the signatures of two authorized City representatives to execute this agreement.

Thank you, Ms. Larson, for the opportunity to submit this proposal. Please contact me at 651-646-6114, 612-229-9818 (direct line) or pgleason@brkw.com with any questions or comments you may have.

Sincerely,

BRKW APPRAISALS, INC.



Paul J. Gleason, MAI  
Principal  
Certified General Real Property Appraiser  
MN License No. 4003073

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I/we accept the terms and conditions of this engagement letter for appraisal services by BRKW Appraisals, Inc., pertaining to the subject property referenced in this letter (Single-family home on 3.59 acres at 9430 East Point Douglas Rd. S., Cottage Grove, MN; Tax Parcel I.D. #22-027-21-34-0002) dated October 31, 2024.

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Signature

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Date

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Printed Name/Title

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Signature

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Date

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Printed Name/Title