

City of Dayton
Economic Development Authority (EDA)
October 15, 2024
7:30 a.m.

7:30 1. **Call to Order**

The EDA consists of seven members including two City Councilmembers and five members of the Dayton business community or residents of the City of Dayton with business and/or economic development expertise, each with an interest in promoting the economic growth and development of the City of Dayton. The EDA shall have all the powers, duties, and responsibilities set forth in Minnesota Statutes §469.090 to §469.1081.

7:30 2. **Approval of the Agenda**

7:30 3. **Consent Agenda**

A. Approval of Minutes, September 17, 2024

7:30 4. **Open Forum**

Time is limited to 3 minutes. No EDA Action will be taken. However, direction can be given to staff for future meetings.

7:35 5. **Old Business**

A. Oath of Office, Dave Anderson, EDA member

7:35 6. **New Business**

7:35 A. Resolution 01-2024, Amending EDA Bylaws

7:40 B. Discussion of Bonding Bill, MN Senator John Hoffman (34, DFL)

8:00 C. Recommendation of Support for States Manufacturing applications to DEED for MIF and JCF program funding

8:10 D. Resolution 02-2024, Approving the Purchase Agreement of real property, PID: 36-121-23-41-0021, 36-121-23-41-0010, 36-121-23-41-0011, and 36-121-23-41-0012.

8:15 E. Discussion – Tax Forfeit property, PID: 31-120-22-13-0010

8:20 F. Recommendation Adopting Affordable and Lifecycle Goals for the 2021-2030 Decade

8:25 7. **Staff & Board Updates** (verbal)

A. Staff Updates

- Development updates
- Morris Leatherman Opinion Survey
- Master Plan Open House, October 15, 2024 6:30-8:00 PM, at Activity Center
- Approval of Development District (Nov 19th)

B. Board Updates

The next EDA meeting will be Tuesday, November 19, 2024, 7:30 am

8:30 8. **Adjourn**

MINUTES OF THE SEPTEMBER 17, 2024 ECONOMIC DEVELOPMENT AUTHORITY MEETING

Chair Huttner called the September 17, 2024, EDA to order at 7:30 a.m.

Roll Call

Present: EDA Chair Huttner, Anderson, Bernens, Fashant, Luther, Salonek

Absent: Peralta

Also, in attendance: Jon Sevald, Community Development Director; Haden Stensgard, Planner II; Zach Doud, City Administrator/Finance Director

Approval of the Agenda

Motion to approve the agenda by Fashant seconded by Salonek all ayes. Motion passed unanimously.

Consent Agenda

A. Approval of the August 20, 2024, Meeting Minutes

Motion to approve the August 20, 2024, minutes by Salonek seconded by Bernens all ayes. Motion passed unanimously.

Open Forum

Stephanie Henderson, 14050 Magnolia Lane, came forward and stated that she is present to learn and listen. Henderson has watched meetings online, but she wanted to experience a meeting in person.

Old Business

A. Introduction of Dave Anderson, EDA Member

Huttner requested that Anderson tell the EDA about himself.

Anderson stated that he grew up in Wisconsin, went to technical school, and moved to Minnesota in 1976. Anderson went to work for a small business in Brooklyn Center, and in 1989, at the age of 34 years, he was named president of the company. In early 1990, Anderson and a consultant purchased the company. Twenty years later, Anderson sold the company. Under Anderson's leadership, the company went from about \$1,000,000 in sales to \$25,000,000 in sales, 150 employees, and three locations (Colorado, China, and Minnesota). Since selling the company, Anderson has been consulting and serving on the board of the Transformer Association for eight years, including two years as president and two years as past president. Anderson built a home in Dayton in 1992, and he believes his service on the EDA is a way to give back to the community.

B. Review of 2024 EDA Goals

Huttner asked Sevald why a review of the 2024 EDA goals is on the agenda. Sevald stated that the EDA Bylaws mandate that the EDA discuss its goals at least two times per year. Two times per year the progress towards accomplishing the EDA goals is reported to the City Council. The 2024 goals were created in November of 2023 and

discussed in April of 2024. Sevald stated that generally speaking, the EDA hasn't done a lot since April.

Sevald asked the EDA if they wanted to continue making goals every year, or would the EDA rather work on the EDA Strategic Plan that was adopted in 2022.

Huttner stated that this conversation could be fast-forwarded.

Bernens stated that for the people who are new, what he recalls is that certain items from the Strategic Plan were selected to be goals. The progress on the goals has been limited. Bernens believes that it is good to have goals.

Anderson asked if Ehlers is a consulting firm that the City hired. The answer is yes. Anderson stated that goals are very important.

Additional conversation ensued.

Fashant stated that the goals are appropriate, but there has been very little progress made on them. Fashant believes that part of the problem is a lack of focus from the EDA, but he would like to see a little more refinement.

Bernens suggested that a Work Session might be in order for the purpose of refining the goals.

Regarding the small business loans available from the EDA, Salonek asked if the interest rate was 2% above prime or a flat 2%. The answer is a flat 2%.

Additional conversation ensued.

Bernens brought the conversation back to the question of whether a Work Session is needed. Bernens stated that there are six goals, and it would probably be better to focus on no more than two in a year.

Sevald stated that the loan opportunity would be more effectively made known to the community by word of mouth. Currently, the EDA does not do a lot of pro-active outreaches, and that's an area that Sevald would like the EDA to concentrate on in the future. Sevald suggested that he and Stensgard could go into the business community and check in with the business owners.

Salonek pushed for a higher interest rate on the EDA loan opportunities. At 2%, the EDA is losing money because the current interest rate the money is earning is 5%. Sevald stated that the goal is not to make money on the loans.

Additional conversation ensued.

There was consensus to keep the interest rate at 2% and to advertise the availability of the loan opportunity.

Anderson asked if the EDA has a list of all commercial businesses in Dayton. The answer is yes.

Motion by Bernens and seconded by Fashant to schedule a Work Session to discuss and refine the goals. Motion passed unanimously.

C. EDA Budget

Huttner requested Fashant's input on the EDA budget discussion.

Fashant stated that the proposal was submitted to the City Council. The consensus of the Council was to use existing funds and not levy for new funds. The EDA has a budget, and the money spent will be pulled from existing funds. The EDA currently has approximately \$689,000 in savings.

Bernens asked if the EDA would have to pay cash for property or could they finance it. Sevald stated that the EDA would have to pay in cash.

Luther asked why every department gets money allocated towards their budget, but the EDA gets nothing.

Salonek stated that he was the largest proponent of the EDA budget coming from savings. There was no basis for the numbers in the proposed EDA budget. Salonek wants to see a history of spending before appropriating a levy for the EDA budget.

Bernens stated that what's actually going on is that the City Council wants to bring the tax rate down so that Dayton is in line with other cities. By levying for the EDA, the overall tax rate goes up.

Fashant stated that he wanted to levy for the EDA, but he was in the minority.

New Business

A. Old Public Works, 16471 South Diamond Lake Road

Huttner asked Sevald to investigate and inform the EDA what the City has planned for the old Public Works building.

Sevald stated that the facility is currently being used for the storage of seasonal equipment. If the City sells the old building, it would be necessary to purchase a new building, which is not necessarily economically feasible. Sevald projected an ariel view of the property that shows a ballfield. Parks are in dire need of additional ballfields, so Staff recommends updating the ballfield located on the property that currently houses the old Public Works building.

Bernens asked if the property next to the old Public Works building ever sold. The answer is yes. Sevald stated that the new owner is using the property as a self-storage business.

Huttner stated that the property is prime for re-development. Huttner stated that the City complains about Raintree, but this property also needs to be revitalized.

The EDA all concurred.

Luther asked if the property were sold, would it remain as commercial. Sevald stated that the property is currently zoned as park land.

Additional conversation ensued.

Fashant stated that he's been pushing Farrell and Doud to get the property cleaned up. Fashant encouraged the EDA to "make noise" about the need to clean it up.

Bernens suggested that the City should perhaps consider purchasing the property that butts up to the boat landing for a park.

B. Tax Forfeit Property 18XXX Territorial Road

Huttner stated that the above-referenced property is commonly referred to as "the triangle. Huttner stated that he would like to see this group petition the Council by stating that the EDA has done everything requested by the Council and ask them why there has been no movement. Huttner stated that according to the EDA's commercial brokers, the property is a really good location for anything high-tech or light manufacturing.

Bernens stated that rather than more and more warehouses in Dayton, the City should be actively pursuing some better jobs.

Fashant stated that the EDA should move ahead with the broker and start marketing the property. Nobody else can buy the property. There is no danger of losing the property if the EDA doesn't move on it right away.

Salonek stated that before the property can be marketed the EDA has to know what the numbers need to be.

Luther asked if the property can be legally marketed for sale, since the EDA does not own it.

Huttner reiterated his desire to petition the City Council to put the property into the EDA's name.

Fashant asked how the City could transfer title from a piece of property that it does not own.

Huttner asked if the EDA should reach out to legal counsel.

Anderson stated that if someone was really looking at the property, they would easily discover that it is a tax forfeiture property. What would prevent a potential buyer from approaching Hennepin County directly? Huttner stated that there is no back door.

Salonek stated that a potential buyer could certainly get the value of the property from Hennepin County.

Huttner asked Salonek and Fashant if the EDA would have their support on some sort of loan from the Council to make up any shortfall. Both agreed. Salonek followed up by stating that the numbers have to work.

Bernens stated it is obvious that it would be good to sell the property for more than the property is purchased for; however, the number one goal should be finding the right business for this property.

C. Cemstone/Railroad Spur

Huttner asked if it would make sense for the City to strike a deal with Cemstone for a 100-year contract and have the railroad come in and build a railroad spur.

Sevald stated that Cemstone does not have the need for a railroad spur right now. The market just isn't right.

Additional conversation ensued.

There was consensus to send a letter to the local businesses to determine if their businesses could benefit from the railroad spur and send a letter to BNSF to determine if they will service a future railroad spur.

Sevald asked the EDA if they want to engage experts like Stantec to determine the details of exactly what is needed to build a railroad spur.

Fashant suggested that a few feasibility questions should be answered before spending any significant money on the project.

Staff Updates

A. EDA Bylaws (Approved August 27, 2024)

Sevald stated that at some point the EDA shifted from five members to seven members.

Sevald stated that prior to buying or selling property, the EDA must legally establish an Economic Development District, which will ultimately be the City of Dayton.

Bernens asked what, if anything, was changed in the EDA Bylaws. Fashant stated that basically nothing was changed.

B. Elevate Hennepin County

Sevald stated that the City contributes about \$2,500 per year to Elevate Hennepin County, which is a program that is primarily available for small businesses. Some of the services available include: 1) One-on-one advice from Elevate Hennepin County staff; 2) Twenty-five hours of free advice from professional advisors; 3) Group learning events, which is more like peer review gatherings; and 4) CEO Next, which is providing encouragement for smaller businesses to move to the next level.

Bernens stated that his son used it when beginning his small business, and it was helpful. Bernens' overall opinion is that Elevate Hennepin County would likely be more helpful for someone who has zero experience in starting a new business. Bernens stated that the program needs to be promoted. People don't know about it. If it isn't going to be promoted, the EDA should not spend money on it.

Additional conversation ensued.

Doud came forward and stated that quarterly updates are sent, and he will start forwarding them to Sevald. There has been a total of eight businesses that used the program in the single year that Dayton has been involved. Doud is very much in favor of keeping the program. Doud stated that the program is being advertised on the City's website, Facebook page, and the City's app.

Additional conversation ensued.

C. Development Updates

Sevald stated that the user for the Opus Spec Building will be TurbinePro, who is relocating from Rogers. The company makes engine turbines. Sevald stated that DCM Farms has a revised Concept Plan that was approved by the Planning Commission, and it will be before the City Council on September 24, 2024. Sevald stated that the Dayton Creek addition Preliminary Plat and Final Plat, which includes outlots intended for residential and/or commercial use, will be presented to the Planning Commission and City Council in October of 2024. Sevald stated that the Parkway Neighborhood Preliminary Plat, which includes an outlot intended for use as a gas station will be presented to the Planning Commission and City Council in November of 2024.

Board Updates

Huttner asked if there was an update for the "undisclosed property." Sevald stated that there were some discussions during a Closed Session. An offer has been made, and it is being reviewed by the property owner. There is no additional news.

Huttner asked if the EDA comments were helpful regarding DCM. Sevald stated that the comments from the EDA were indifferent.

Additional conversation ensued.

Fashant explained that input is important, and the Concept Plan will be coming back to the City Council a few more times.

Adjourn

Motion by Luther and seconded by Bernens to adjourn at 8:53 a.m. Motion passed unanimously.

Respectfully submitted,
Zach Doud, City Administrator/Finance Director

ITEM:

Resolution 01-2024, Amending EDA Bylaws

APPLICANT:

N/A

PREPARED BY:

Jon Sevald, Executive Director

POLICY DECISION / ACTION TO BE CONSIDERED:

Motion to Approve Amending EDA Bylaws.

BACKGROUND:

An EDA member requested that the EDA consider Amending the EDA Bylaws specifying that three or more unexcused absences may result in removal of that member by the City Council.

ARTICLE 6 – MEETINGS, EXPENSES, AND ATTENDANCE

Section 3. Meeting Attendance. The Executive Director shall report to the Dayton City Council the unexcused absence of a Commissioner from any three regular Authority meetings in a calendar year, with a recommendation that the Commissioner be removed from the Board. Commissioners shall notify the EDA President or the Executive Director of planned absences prior to EDA meetings. Excused and unexcused absences shall be determined by the EDA President at the time of regular Authority meetings and reflected in the meeting Minutes.

CRITICAL ISSUES:

N/A

RELATIONSHIP TO COUNCIL GOALS:

Clear Goals and Deliverables for each Commission

BUDGET IMPACT:

N/A

RECOMMENDATION:

N/A

ATTACHMENT(S):

EDA Resolution 01-2024

EDA Bylaws, Sep 17, 2024

**ECONOMIC DEVELOPMENT AUTHORITY
CITY OF DAYTON, MN**

AMENDED AND RESTATED BYLAWS

Adopted by Dayton City Council: , 2024
Adopted by Dayton EDA: , 2024
Amended by Dayton City Council: August 27, 2024
Amended by Dayton EDA: September 17, 2024

**Amended and Restated Bylaws
of the Economic Development Authority of the City of Dayton**

ARTICLE 1 - THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “City of Dayton Economic Development Authority” (the “Authority”). Its governing body shall be called the EDA Board of Commissioners (the “Board”). The Board shall be the body responsible for the general governance of the Authority and shall conduct its official business at meetings of the Authority.

Section 2. Seal of Authority. Pursuant to Minnesota Statutes § 469.096, subd. 1, the Authority shall have an official seal. The official seal of the City of Dayton shall also be the official seal of the Authority.

Section 3. Office of Authority. The offices of the Authority shall be the Dayton City Hall.

Section 4. Scope of Authority. All actions of the Authority are subject to limits established by the Amended and Restated Enabling Resolution adopted by the City Council of the City of Dayton on August 12, 2024 (Resolution No. 37 - 2024), which may be amended from time to time, and as provided in Minnesota Statutes, Chapter 469.

ARTICLE 2 - BOARD

Section 1. Number and Appointment of Commissioners. The Board consists of seven (7) members, at least 2 of which shall be members of the City Council, each appointed by the Mayor and approved by the City Council for a term of six (6) years, except the term of any Commissioner who is a member of the City Council shall end when the City Council term of office ends. A Commissioner shall serve until a successor has been appointed and installed.

Section 2. Eligibility. Commissioners shall be members of the Dayton business community, or residents of the City of Dayton with business and/or economic development experience, each with an interest in promoting the economic growth and development of the City of Dayton.

Section 3. Vacancies. Vacancies shall be filled by appointment made by the Mayor and approved by the City Council, and shall be for the unexpired term of the Commissioner who vacated the position.

Section 4. Removal. A Commissioner may be removed by the City Council for inefficiency, neglect of duty, or misconduct in office. Removal shall only be after a hearing by the City Council. A copy of the charges must be given to the Commissioner at least ten (10) days before the hearing. The Commissioner must be given an opportunity to be heard in person or by legal counsel at the hearing. When written charges have been submitted against a Commissioner, the City Council may temporarily suspend the Commissioner. If the City Council finds that such charges have not been substantiated, the Commissioner shall be immediately reinstated. If the

City Council finds that such charges are substantiated, the Commissioner shall be removed. In the event of removal, a record of the proceedings, together with the charges and findings, shall be filed in the office of the City Clerk.

ARTICLE 3 - OFFICERS

Section 1. Officers. The officers of the Authority shall be a President, a Vice-President, a Treasurer, an Assistant Treasurer, and a Secretary. The City Administrator shall serve as the Secretary, Assistant Treasurer and as an ex-officio member of the Board of Commissioners. All officers shall be elected annually by the Authority. The President, the Vice-President, and the Treasurer shall be members of the Board; the Secretary and the Assistant Treasurer need not be members of the Board. No Commissioner may be both President and Vice-President simultaneously and the President and Vice-President shall not hold any other office with the Authority. No Commissioner may be both Treasurer and Assistant Treasurer simultaneously. The President may be any member of the Authority. The office of Assistant Treasurer may be held by the a person other than a Commissioner.

Section 2. President. The President shall preside at all meetings of the Authority, shall sign or countersign all certificates, contracts and other instruments of the Authority as authorized by the Board of Commissioners, except that all checks of the Authority shall be executed by the Dayton Mayor and City Clerk on the Authority's behalf. The President shall make reports to the Board of Commissioners, and shall perform all such other duties as are incident to the office or are properly required of the office by the Board of Commissioners.

Section 3. Vice-President. The Vice-President shall perform the duties of the President in the absence or incapacity of the President; and in case of the resignation or death of the President, the Vice-President shall perform such duties as are imposed on the President until such time as the Board shall elect a new President.

Section 4. Secretary. The Secretary shall issue notice for all meetings, keep minutes of all meetings of the Board, and maintain all records of the Authority. The Secretary shall have charge over the Authority's books, and shall make such reports and perform such other duties as are incident to the office, or are properly required by the Board by resolution.

Section 5. Treasurer. City Staff shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such banks or banks as the Board may select. Staff shall prepare financial reports and submit same to the Treasurer for review. Staff shall render to the Treasurer, at least annually (or more often when requested), an account of such transactions and also the financial condition of the Authority. The Treasurer shall convey such report to the Board.

Section 6. Assistant Treasurer. The Assistant Treasurer shall have the powers and duties of the Treasurer in the absence or incapacity of the Treasurer.

Section 7. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Board or the bylaws or rules and regulations of the Authority.

Section 8. Vacancies. Should the office of President, Vice-President, Treasurer, Assistant Treasurer, or Secretary become vacant, the Board shall elect a successor from its membership at the next regular meeting, or at a special meeting called for such purpose, and such election shall be for the unexpired term of said officer.

Section 9. Additional Personnel; Executive Director. The Board may from time to time employ such staff, technicians, and experts as it deems necessary to exercise its powers, duties, and functions, including engineering, legal, public accounting, consulting, or other services. The selection and compensation of such personnel shall be determined by the Board. The Community Development Director shall serve as the Executive Director of the Authority. The Executive Director shall handle day-to-day matters of the Authority on behalf of the Authority at the direction of the Board.

Section 10. Signature Authority. The following signature authority shall be authorized for transactions executed under direction of the Board:

- (A) All orders and checks of the Authority for the payment of money shall be executed by the Dayton Mayor and City Clerk on the Authority's behalf.
- (B) The President and the Executive Director shall sign all contracts, deeds, and other instruments made or executed by the Authority, except as otherwise authorized by resolution of the Board.
- (C) The Vice-President shall have the capacity to sign as an alternate officer of the Authority under certain extenuating circumstances such as a lengthy excused absence, vacancy, termination, resignation, incapacitation or death of the President, Treasurer, Assistant Treasurer, or Executive Director. The Vice-President may sign as an alternate for only one absent officer for any Authority matter until the absent officer has returned or a successor is elected to fill the office. The Vice-President may not sign in the capacity of more than one officer for any particular item requiring more than one signature.
- (D) For purposes of definition, "lengthy excused absence" is defined as "a period, usually significant in length, during which an officer is away and/or unable to fulfill the officer's role within the Authority leading to the potential for business issues of the Authority to be delayed and/or deadlines to be missed."

ARTICLE 4 - MEETINGS

Section 1. Regular Meetings. The Board may hold regular meetings according to a meeting schedule, if any, adopted or revised from time to time by the Board, and shall hold at least one regular meeting every other month. The Board shall approve the annual meeting dates for the

following year at the last meeting of the calendar year, which shall be published as required by the Minnesota Open Meeting Law.

Section 2. Special Meetings. Any rescheduled Regular Meeting shall be a Special Meeting, for which notice shall be posted as required by the Minnesota Open Meeting Law. Any other Special Meeting of the Board may be called by the President or any two Commissioners for the purpose of transacting any Authority business designated in the call by the President or two Commissioners. Notice of any special meeting shall be posted and/or published as is required by the Minnesota Open Meeting Law. At any Special Meeting, no business shall be considered other than as designated in the Notice.

Section 3. Quorum. The powers of the Authority shall be vested in the Board. Four (4) Commissioners shall constitute a quorum for the purpose of conducting the business and exercising the powers of the Authority and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Board upon a vote of a majority of the Commissioners present.

Section 4. Order of Business. At the regular meetings of the Board the following shall be the order of business:

1. Call to Order
2. Approval of agenda
3. Consent Agenda
 - a. Approval of the minutes of previous meeting
4. Open Forum
5. Old business
6. New business
7. Staff and Board Updates
8. Adjourn

Section 5. Adoption of Resolutions. Resolutions of the Board shall be deemed adopted if approved by not less than a simple majority of all Commissioners present, unless a different requirement for adoption is prescribed by law. At the request of any Commissioner, a resolution may be read aloud prior to voting on that resolution. If a resolution is not read aloud, the title of the resolution must be read aloud prior to voting on that resolution. Voting on resolutions shall be by voice vote.

All resolutions shall be written and shall be executed after passage. The Secretary shall retain resolutions in the journal of the proceedings.

Section 6. Rules of Order. The meetings of the Board shall be governed by the most recent edition of *Robert's Rules of Order*.

ARTICLE 6 – MEETINGS, EXPENSES, AND ATTENDANCE

Section 1. Reimbursements. Commissioners and offices shall be entitled to reimbursement for all reasonable travel and related expenses incurred in the performance of duties on behalf of the Authority. Expenses that are eligible for reimbursement shall be the same as are approved for the City by the Dayton City Council. Requests for reimbursements shall comply with the policies and procedures approved for the City by the Dayton City Council.

Section 2. Compensation. Commissioners shall be compensated for attendance at regular and special meetings of the Authority. Such compensation shall be set by the Dayton City Council by separate resolution.

Section 3. Meeting Attendance. The Executive Director shall report to the Dayton City Council the absence of a Commissioner from any three regular Authority meetings in a calendar year, with a recommendation that the Commissioner be removed from the Board.

ARTICLE 7 - MISCELLANEOUS

Section 1. Amendments to Bylaws. The bylaws of the Authority shall be amended only by resolution approved by at least four (4) of the members of the Board. Amendments to the Bylaws must be approved by the City Council of the City of Dayton before becoming effective.

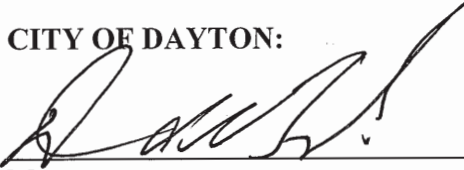
Section 2. Review, Approval of Board Applications. Applications or letters of interest for open seats on the Authority shall be reviewed by the City Council. The City Council has the sole authority to appoint Commissioners to the Board.

Section 3. Finance and Administration.

- (A) The monies of the Authority shall be deposited in the name of the Authority in official depositories of the City of Dayton.
- (B) The fiscal year of the Authority shall coincide with the fiscal year of the City of Dayton.
- (C) The Authority shall prepare an annual budget projecting anticipated expenses and sources of revenue. Said report shall be prepared and submitted to the City of Dayton by August 1 of each year. The Authority shall follow the budget process established by the Dayton City Council for the departments of the City of Dayton.
- (D) The books and financial records of the Authority shall be kept and maintained at the City Hall for the City of Dayton.
- (E) The Authority shall have available for the City's auditor a summary of the preceding year's revenues and expenditures, within six (6) months after the close of the fiscal year.

ATTEST:

CITY OF DAYTON:



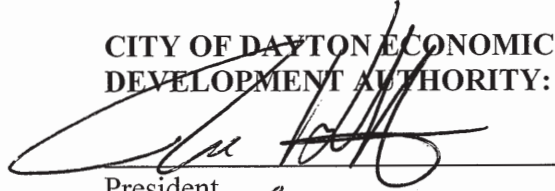
Mayor



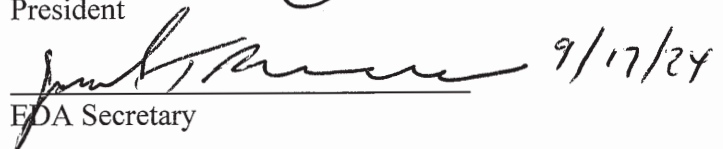
City Clerk

Date: 9-17-24

CITY OF DAYTON ECONOMIC
DEVELOPMENT AUTHORITY:



President



EDA Secretary

Date: 9-17-24

ITEM:

Approval of Support of States Manufacturing applications for Minnesota Investment Fund and Job Creation Fund programs

APPLICANT:

Wyatt Shallbetter, States Manufacturing
Jessica Tocco, A10 Associates

PREPARED BY:

Jon Sevald, Community Development Director

POLICY DECISION / ACTION TO BE CONSIDERED:

Motion to Approve Resolutions, Supporting States Manufacturing applications for the Job Creation Fund, and Minnesota Investment Fund programs.

BACKGROUND:

States Manufacturing intends to lease 500,000 sq ft of The Cubes (east half of the building), pending an award by Minnesota Department of Employment and Economic Development (DEED) through DEED's Minnesota Investment Fund (MIF), and Job Creation Fund (JCF).

States Manufacturing is a manufacturer of electrical power distribution equipment (cabinets and shelters), based in Champlin (95,000 sq ft building, 130 employees). Dayton will be an additional location and will allow for manufacturing of large equipment shelters. Pending the DEED awards, States will sign a 12-year lease and begin operations in 2025. States will invest \$23 million into equipment and site improvements, and create 340 jobs (2025-2027).

CRITICAL ISSUES:

Minnesota Investment Fund (MIF)

The DEED MIF program provides loans for creation/retention of high paying jobs and investment in machinery, property, and improvements that would not occur otherwise, but for MIF. MIF funding requires a 1:1 state/private funding match.

States Manufacturing is requesting a \$1,450,000 forgivable loan from DEED for the buildout of the facility, including equipment, building improvements and operational expenses. Two-year (2025-2026) capital investment will be \$22.5 million. DEED will provide funds to the City, and the City will reimburse States Manufacturing for qualifying expenses. The city will provide annual reports to DEED. This is a forgivable loan.

Job Creation Fund (JCF)

The DEED JCF program provides grants, loans, and tax incentives to businesses which could locate outside of Minnesota but choose to locate in-state. The program may reimburse companies for capital investment, property improvements, and job creation for manufacturing, distribution, warehousing, and other eligible business activities. Prevailing wages are required.

CITY COUNCIL REGULAR MEETING

States Manufacturing is requesting a \$1,350,000 subsidy from DEED. Jobs created will be 68 (2025), 136 (2026), and 136 (2027), totaling 340. Eventually 400 employees, operating 24 hours per day. Production and Operation staff annual wages will be \$66,300 and \$84,800 (2025). States Manufacturing will provide annual reports to the city regarding job creation and wages, and the city will submit annual reports to DEED. This is a grant.

Action to support the JCF application must be from the City Council (vs. EDA).

COMMISSION REVIEW / ACTION (IF APPLICABLE):

The EDA reviewed the project at its October 15, 2024 meeting, recommending Approval.

60/120-DAY RULE (IF APPLICABLE):

	60-Days	120-Days
N/A		

RELATIONSHIP TO COUNCIL GOALS:

Create a Sought After Community

BUDGET IMPACT:

None. All costs incurred by the city will be invoiced to States Manufacturing. Costs may include staff time and consultants to administer the loan program).

RECOMMENDATION:

Staff recommends Approval.

A Public Hearing notice was published by THE PRESS on October 17, 2024 (required for the Minnesota Investment Fund).

ATTACHMENT(S):

Resolution __-2024 Minnesota Investment Fund

Resolution __-2024 Job Creation Fund Application

**CITY OF DAYTON
HENNEPIN AND WRITH COUNTIES, MINNESOTA**

RESOLUTION __-2024

**A RESOLUTION REGARDING THE SUPPORT OF A MINNESOTA INVESTMENT FUND
APPLICATION IN CONNECTION WITH STATES MANUFACTURING**

WHEREAS, the City of Dayton, shall act as the legal sponsor for the project contained in the Minnesota Investment Fund Application to be submitted on or about November 13, 2024 and that Denis Fisher (Mayor) and Zach Doud (City Administrator) are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of the City of Dayton; and,

WHEREAS, the City of Dayton has the legal authority to apply for financial assistance, and the institutional managerial, and financial capability to administer the proposed project; and,

WHEREAS, the City of Dayton has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice; and,

WHEREAS, that upon approval of its application by the State, the City of Dayton may enter into a Grant Contract with the State of Minnesota for the approved project, and that the City of Dayton certifies that it will comply with all applicable laws, statutes, regulations and rules as stated in the Grant Contract and described in the Project Compliance Certification of the Application; and,

WHEREAS, that the City of Dayton has obtained credit reports and credit information on States Manufacturing and Joe Shallbetter, Wyatt Shallbetter, and Neos Partners (owners). Upon review by the City of Dayton and LeVander, Gillen, & Miller P.A., no adverse findings or concerns regarding, but not limited to, tax liens, judgments, court actions, and filings with state, federal and other regulatory agencies were identified. Failure to disclose any such adverse information could result in revocation or other legal action; and,

NOW, THEREFORE, BE IT RESOLVED, Dennis Fisher (Mayor) and Zach Doud (City Administrator), or their successors in office, are hereby authorized to execute the Grant Contract and amendments, thereto, as are necessary to implement the project on behalf of the City of Dayton.

ADOPTED this 29th day of October, 2024 by the City Council of the City of Dayton, Minnesota,

Motion made by Councilmember _____, seconded by Councilmember _____.
Motion carried.

Dennis Fisher, Mayor

Attested:

Amy Benting, Assistant City Administrator/City Clerk

**CITY OF DAYTON
HENNEPIN AND WRITH COUNTIES, MINNESOTA**

RESOLUTION __-2024

**A RESOLUTION REGARDING THE SUPPORT OF A JOB CREATION FUND APPLICATION
IN CONNECTION WITH STATES MANUFACTURING**

WHEREAS, the City of Dayton desires to assist States Manufacturing, a Limited Liability Company which is proposing to improve a facility in the City; and,

WHEREAS, the City of Dayton understands that States Manufacturing, through and with the support of the City, intends to submit to the Minnesota Department of Employment and Economic Development an application for an award and/or rebate from the Job Creation Fund Program; and,

WHEREAS, the City of Dayton Economic Development Authority considered the matter at its October 15, 2024 meeting, recommending Approval; and,

WHEREAS, the City of Dayton held a City Council meeting on October 29, 2024, to consider this matter.

NOW, THEREFORE, BE IT RESOLVED, that after consideration, the Mayor and City Administrator of the City of Dayton, Minnesota, hereby adopts the following Findings of Fact related to the project proposed by States Manufacturing and its application for an award and rebate from the Job Creation Fund Program and express their approval.

The City Council hereby finds and adopts the reasons and facts supporting the following Findings of Fact for the approval of the Job Creation Fund Program application:

1. Finding that the project is in the public interest because it will encourage the growth of commerce and industry, prevent the movement of current or future operations to locations outside Minnesota, result in increased employment in Minnesota, and preserve or enhance the state and local tax base.

FINDING: *States Manufacturing proposes to occupy 500,000 sq ft of an existing building in Dayton, MN and is requesting funding from the JCF program for the creation of 340 new jobs within three years (2024-2026) with median annual wages of \$114,400. Without the JCF program, this project could be located outside of Minnesota. It is the City of Dayton's desire that States Manufacturing will attract suppliers to locate in Dayton or surrounding communities, creating a manufacturing hub along the I-94 corridor.*

2. Finding that the proposed project, in the opinion of the City Council, would not reasonably expected to occur solely through private within the reasonably foreseeable future.

FINDING: *States Manufacturing could not complete the project privately within the reasonable foreseeable future, but for assistance through the Job Creation Fund.*

3. Finding that the proposed project conforms to the general plan for the development or redevelopment of the City as a whole.

FINDING: *The property, Lot 1, Block 1, The Cubes At French Lake, is zoned (I-1) Light Industrial and (PUD) Planned Unit Development. The property is guided Industrial in the 2040 Comprehensive Plan (aka "General Plan"). Applicable Goals and Policies of the Comprehensive Plan, Chapter 6: Economic Development:*

Goal 1: Increase economic growth and development to encourage services and job growth in the community.

Policy 1: Encourage new development and redevelopment within southwest Dayton around the Dayton Parkway Interchange.

Goal 2: Expand and diversify the City's tax base by encouraging new commercial/industrial development.

Policy 2: Support and promote existing businesses and new businesses that are viable and responsive to the need of the community. Create programs to provide financial assistance to retain existing business and attract new business.

4. Finding that the proposed project will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment or development of the project by private enterprise.

FINDING: *The needs of the City of Dayton includes manufacturing, and employers attracting skilled labor. States Manufacturing*

ADOPTED this 12th day of November, 2024 by the City Council of the City of Dayton, Minnesota,

Adopted by the Dayton City Council, November 12, 2024.

Motion made by Councilmember _____, seconded by Councilmember _____.
Motion carried.

Dennis Fisher, Mayor

Attested:

Amy Benting, Assistant City Administrator/City Clerk

MEMO

TO: Economic Development Authority of the City of Dayton
FROM: Attorney Amanda Johnson
DATE: October 15, 2024
RE: Resolution to authorize purchase of real property located at: PIDS: 36-121-23-41-0010, 36-121-23-41-0011, 36-121-23-41-0012, and 36-121-23-41-0021

ACTION TO BE CONSIDERED:

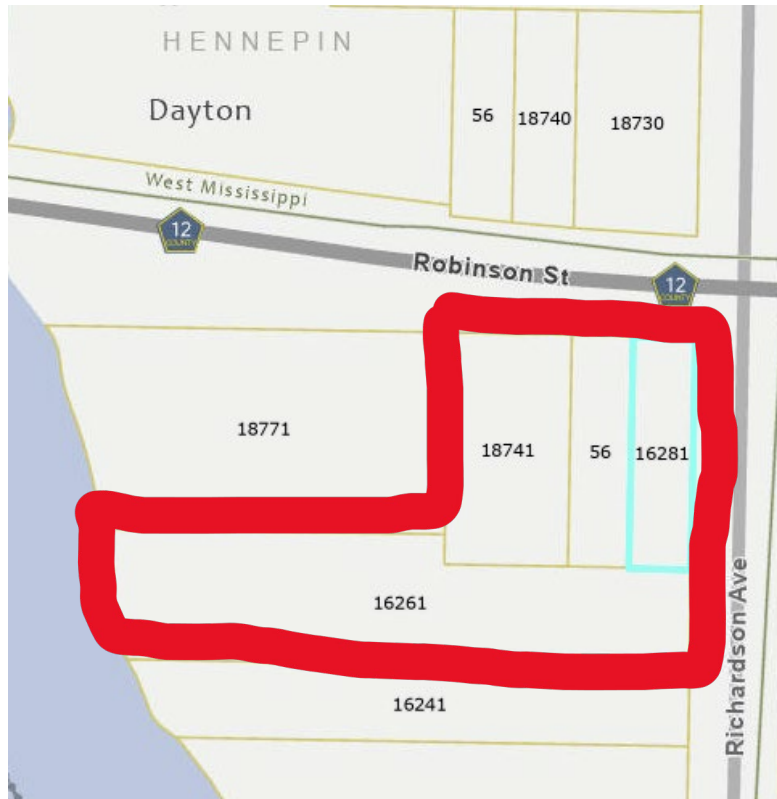
Adopt Resolution Authorizing the Approval of a Purchase Agreement Between the City of Dayton Economic Development Authority and David Lent.

OVERVIEW:

The EDA instructed Staff to engage in negotiations with the family of David Lent regarding purchase of the real property located at: 18741 Robinson Street, 16281 Richardson Ave, and 16261 Richardson Ave, as well as a sliver of property that does not have an assigned address.

PIDS: 36-121-23-41-0010, 36-121-23-41-0011, 36-121-23-41-0012, and 36-121-23-41-0021.

The property the EDA is purchasing is outlined in red below:



The key terms of the Purchase Agreement are as follows:

- Approximately 1.19 acres
- Purchase Price: \$150,000
- Earnest Money: \$10,000
- Contingency Date: December 1, 2024
- Title Analysis: 30 days after execution of PA
- Closing Date: On or before December 31, 2024

Once the EDA has approved the PA, a Phase I Environmental Study shall be ordered for the property and the EDA attorney will conduct a thorough review of the property title.

RECOMMENDED ACTION:

Adopt Resolution Authorizing the Approval of a Purchase Agreement Between the City of Dayton Economic Development Authority and David Lent.

ECONOMIC DEVELOPMENT AUTHORITY

**CITY OF DAYTON
COUNTIES OF HENNEPIN AND WRIGHT**

RESOLUTION No. 02-2024

**RESOLUTION AUTHORIZING THE APPROVAL OF A PURCHASE AGREEMENT
BETWEEN THE CITY OF DAYTON ECONOMIC DEVELOPMENT AUTHORITY
AND DAVID LENT**

WHEREAS, the City of Dayton Economic Development Authority (“EDA”) is authorized pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 to acquire right, title, and interest in real property for economic development purposes; and

WHEREAS, the EDA has identified certain property within the City of Dayton (“City”), Hennepin County, Minnesota, as legally described on attached Exhibit (“Real Property”), for economic development purposes in the City; and

WHEREAS, the EDA desires to acquire fee simple title to the Real Property from David Lent (“Seller”) in order to facilitate economic development within the City; and

WHEREAS, the EDA has reviewed and considered a Purchase Agreement for the Real Property and has determined that it is in the EDA and City’s best interests to execute the Purchase Agreement and acquire fee simple title to the Real Property; and

WHEREAS, pursuant to Minnesota Statute § 462.356, Subd. 2, the EDA finds that the proposed acquisition of the Real Property has no relationship to the comprehensive municipal plan.

NOW, THEREFORE, BE IT RESOLVED by the City of Dayton Economic Development Authority as follows:

1. That the Purchase Agreement Between the EDA and the Seller represents a freely negotiated purchase and sale of the Real Property; and
2. That the Purchase Agreement is approved, subject to minor modifications by the EDA Attorney; and
3. That the Executive Director and President of the EDA are authorized and directed to execute the Purchase Agreement on behalf of the EDA; and
4. That the Executive Director, EDA Attorney, and President are authorized to take those actions necessary and customary to effectuate the purchase herein contemplated.

Adopted by the Economic Development Authority of the City of Dayton this 15th day of October, 2024.

Tim Huttner, President

ATTEST:

Jon Sevald, Executive Director

EXHIBIT A

The Land is described as follows:

All that part of Section 36, Township 121, Range 23, West of the 5th Principal Meridian, Hennepin County, Minnesota, described as follows:

Commencing 60 feet West of the Northwest corner of Block 13, Village of Dayton; thence South along the West line of Richardson Street 165 feet; thence West at right angles 160 feet to the actual point of beginning; thence South at right angles 50 feet; thence West at right angles to Crow River, thence Northerly along Crow River to a point West of the actual point of beginning; thence East at right angles to Richardson Street, to the actual point of beginning;

And that part of Section 36, Township 121, Range 23, described as follows: Beginning at a point 60 feet West of the Northwest corner of Block 13, Village of Dayton; thence South along the West line of Richardson Street 150 feet to the actual point of beginning of the tract to be described; thence continuing South along said West line 59 feet; thence West at right angles 160 feet; thence North at right angles 44 feet; thence West at right angles to Crow River; thence Northerly along Crow River to a point 15 feet North at right angles from the last described line which point is due West from the actual point of beginning; thence East to the actual point of beginning, Hennepin County, Minnesota.

AND

Commencing at a point 60 feet West of the Northwest corner of Block 13, Town of Dayton; thence West 40 feet; thence South 150 feet; thence East 40 feet; thence North 150 feet to place of beginning, being in Section 36, Township 121, Range 23, West of the 5th Principal Meridian, Hennepin County, Minnesota.

AND

That part of Section 36, Township 121, Range 23, described as follows: Commencing at a point 100 feet West of the Northwest corner of Block 13, of the Townsite, now Village of Dayton, thence West 120 feet; thence South 150 feet, thence East 120 feet; thence North 150 feet to the place of beginning.

AND

That part of Government Lot 5, Section 36, Township 121, Range 23, described as follows: Beginning at a point 220 feet West of the Northwest corner of Block 13 in the Townsite of Dayton (also known as the Village of Dayton); thence South 150 feet; thence West to the Crow River; thence Northerly along the Crow River to a point due West of the point of beginning; thence due East to the point of beginning.

Except

That part of Government Lot 5, Section 36, Township 121, Range 23, Hennepin County, Minnesota described as follows:

Commencing at the East Quarter corner of said Section 36; thence on an assumed bearing of South 00 degrees 43 minutes 38 seconds West, along the East line of said Government Lot 5, a distance of 419.68 feet; thence North 89 degrees 18 minutes 25 second West, a distance of 190.48 feet to the point of beginning; thence South 00 degrees 41 minutes 35 seconds West, a distance of 130.62 feet; thence North 89 degrees 18 minutes 25 seconds West to the shoreline of the Crow River; thence Northerly along said shoreline of the Crow River to the intersection of a line that bears North 89 degrees 18 minutes 25 seconds West from the point of beginning; thence South 89 degrees 18 minutes 25 seconds East to the point of beginning.

Abstract Property

PIDS: 36-121-23-41-0010, 36-121-23-41-0011, 36-121-23-41-0012, and 36-121-23-41-0021.

SALE AND PURCHASE AGREEMENT

THIS SALE AND PURCHASE AGREEMENT (this “**Agreement**”), is made as of October ____, 2024 (the “**Effective Date**”) by and between David Lent (“**Seller**”) and City of Dayton Economic Development Authority, a public body corporate and politic organized under the laws of Minnesota (“**Buyer**”).

In consideration of the mutual covenants and agreements hereinafter contained, the parties agree as follows:

1.) **SALE AND PURCHASE OF PROPERTY.** Subject to the terms and conditions of this Agreement, Seller shall sell to Buyer, the following property (collectively, the “**Property**”):

(a) **Real Property.** Four parcels of land totaling approximately 1.19 acres owned by Seller and located in Dayton (the “**City**”), Hennepin County, Minnesota, as legally described on Exhibit A attached hereto, and depicted on Exhibit B attached hereto (collectively, the “**Real Property**”), together with (a) all fences, buildings, dwellings, fixtures and other improvements thereon (collectively, the “**Improvements**”); and (b) all easements, mineral rights, air rights, and other rights benefiting or appurtenant to the Real Property and Improvements (the “**Related Rights**”); and

(b) **Permits.** To the extent assignable, assignment of all of Seller’s right, title and interest in and to each and every permit, approval, license, certificate, variance and other governmental permissions which relate to or benefit the Real Property or Improvements (collectively, the “**Permits**”).

2.) **PURCHASE PRICE AND MANNER OF PAYMENT.** The total purchase price (“**Purchase Price**”) to be paid by Buyer to Seller for the Property shall be One Hundred Fifty Thousand and No/100 Dollars (\$150,000). The Purchase Price shall be payable as follows:

(a) **Earnest Money.** Ten Thousand and No/100 Dollars (\$10,000.00) earnest money paid within five (5) business days after the Effective Date (the “**Earnest Money**”) to DCA Title, LLC, 750 Main Street, Suite 208, Mendota Heights, Minnesota 55118, Attention: Kimberly Judge, Phone (651) 455-4600 (the “**Title Company**”) to be held in escrow by the Title Company pursuant to the terms of this Agreement. The Earnest Money shall be non-refundable to Buyer after the Due Diligence Deadline (as that capitalized term is defined below), except in the event of a default by Seller under this Agreement. The Earnest Money shall be credited against the Purchase Price at the Closing (as defined in **Section 5** below), provided that this Agreement is not terminated pursuant to the provisions hereof.

Title Company shall act as escrow agent with respect to the Earnest Money. All costs of Title Company, if any, with respect to the escrow shall be borne by Buyer; provided however, Title Company shall deposit the Earnest Money in an interest bearing account if Buyer so directs and if Buyer agrees to pay any fees in relation thereto and provides Title Company with completed IRS W-9 forms.

(b) **Balance.** The balance of the Purchase Price (the difference between the Purchase Price minus the Earnest Money, plus or minus any credits or prorations required hereunder) shall be paid in cash or wire transfer at the Closing.

3.) **CONTINGENCIES.** The obligations of Buyer under this Agreement are conditional upon satisfaction or waiver by Buyer of each of the following by the respective dates indicated, any of which

may be waived in whole or in part by Buyer in writing on or before the Closing Date or the Due Diligence Deadline (both as defined below) as applicable:

(a) Title. Title shall have been found acceptable by Buyer, or been made acceptable, in accordance with the requirements and terms of **Section 4** below.

(b) Performance of Seller's Obligations. Seller shall have performed all of the obligations required to be performed by Seller under this Agreement, as and when required by this Agreement, including without limitation the following:

(1) Access. Seller shall allow Buyer and Buyer's agent's access to the Property without charge and at all reasonable times for the purpose of investigation and testing. Buyer shall pay all other costs and expenses of such investigation and testing and shall indemnify and hold Seller and the Property harmless from all costs, liabilities, expenses, liens or claims (including, without limitation, reasonable attorneys' fees) arising out of or relating to any entry on the Real Property by Buyer, its agents, employees or contractors in the course of performing the inspections, testing or inquiries provided for in this Agreement, and shall repair any damage caused by invasive testing provided, however, that such indemnification shall not extend to the discovery, uncovering or remediation of any conditions (including without limitation, the existence or use of any hazardous materials, as defined in **Section 10(e)** below) which pre-existed Buyer's inspections.

(2) Documents. Within five (5) days after the date of this Agreement, Seller shall deliver to Buyer true and correct copies of all of the available Documents (as hereinafter defined) for Buyer's examination and analysis. Documents shall include all contracts, agreements, plans, surveys, plats, warranties, soil boring tests, wetland analyses, planning studies, aerial photographs, topographical maps or studies, engineering studies and plans and mylars, tests, reports and all other documents in connection with the Property in Seller's possession (all of which are collectively referred to herein as the "**Documents**"). Seller shall have the continuing obligation during the Executory Period (as hereinafter defined) to provide Buyer with any document described in this Section which comes into Seller's possession or is produced by Seller after the initial delivery of the Documents.

(c) Feasibility. On or before December 1, 2024 (the "**Due Diligence Deadline**"), Buyer shall have determined that it is satisfied with its due diligence investigations of the Property, including, without limitation, its review of the Documents and the results of and matters disclosed by a Phase I environmental survey, soil tests, soil borings, engineering inspections, hazardous waste and environmental tests and reviews of the Property, feasibility studies and any other invasive tests, inspections or reviews which Buyer, in its sole determination, deems necessary or desirable to determine whether Buyer's intended use of the Property is feasible. All such tests, inspections, reviews and studies shall be obtained at Buyer's sole cost and expense.

(d) Termination of Leases/Occupancy Rights. All lease(s) will be terminated by Seller on or before the Closing Date at Seller's sole cost and expense and there shall be no other leases or occupancy agreements in effect with respect to the Property at Closing.

(e) Representations and Warranties. The representations and warranties of Seller in this Agreement will be true now and on the Closing Date as if made on the Closing Date, and Seller shall have delivered to Buyer at Closing (as defined in **Section 5** hereof) a certificate (to be prepared by Buyer's

counsel, at Buyer's expense) dated as of the Closing Date, signed by an authorized representative of Seller, certifying that such representations and warranties are materially true, as of the Closing Date (the "**Bring-down Certificate**").

If any condition set forth in this **Section 3** has not been satisfied or waived by Buyer on or before the expiration of the date set forth therein for satisfaction (i.e. the Due Diligence Deadline, or if no date is stated, then the Closing Date) then Buyer may, at Buyer's option, terminate this Agreement at any time on or before the Due Diligence Deadline or the Closing Date, as applicable, by notice to Seller. Upon receipt of such notice from Buyer, the Title Company shall promptly return all Earnest Money to Buyer. Upon such termination, neither Seller nor Buyer shall have further rights or obligations under this Agreement, except for the covenants made in **Section 3(b)**, **Section 13** and the remedies contained in **Section 11** below, all of which shall survive termination of this Agreement, whether such termination is effected by Seller or Buyer (the "**Surviving Covenants**").

4.) **TITLE MATTERS.** Title examination shall be conducted as follows:

(a) **Title Evidence.** The following, obtained by the Buyer at their sole cost, shall constitute the "**Title Evidence**":

- (i) Title Insurance Commitment; and
- (ii) ALTA Survey.

(b) **Buyer's Objections.** No later than the thirty (30) days after the Effective Date, Buyer shall notify Seller in writing of any objections to marketability of title ("**Objections**") disclosed in the Title Evidence. If any Objections are not cured prior to the Closing Date, Buyer will have the option to do either of the following by notice provided to Seller:

- (i) Terminate this Agreement on or before the Closing Date. Upon receipt of such notice from Buyer, Title Company shall promptly return all Earnest Money to Buyer. Upon such termination, neither Seller nor Buyer shall have any further rights or obligations under this Agreement; or
- (ii) Waive the Objections and close the transaction contemplated by this Agreement as if such Objections had not been made.

(c) **Title Policy.** At Buyer's option, Buyer may obtain and pay the premium at Closing of an owner's title insurance policy ("**Title Policy**") issued by the Title Company pursuant to the Title Commitment.

5.) **CLOSING PROCEDURES.** The closing of the purchase and sale contemplated by this Agreement (the "**Closing**") shall occur on or before December 31, 2024 (the "**Closing Date**"). The Closing shall take place through escrow at the offices of the Title Company. The parties contemplate that the Closing will be conducted via escrow instructions given to the Title Company.

(a) **Seller's Closing Documents.** On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, the "**Seller's Closing Documents**"):

- (i) Warranty Deed. A general warranty deed conveying marketable title to the Property to Buyer, free and clear of all encumbrances, other than those encumbrances not objected to or waived pursuant to **Section 4** (the "**Warranty Deed**");

(ii) Assignment of Permits. An Assignment of the Permits and any other intangible rights, in a form reasonably acceptable to Buyer, assigning to Buyer all of Seller's title rights and interest in the Permits (the "**General Assignment**");

(iii) Seller's Affidavit. An Affidavit by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against or involving Seller or the Property; that there has been no skill, labor, or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed; and there are no other unrecorded interests in the Property, together with whatever standard owner's affidavit as may be required by Title Company to issue the Title Policy in the form required by **Section 4** hereof;

(iv) FIRPTA Affidavit. A nonforeign affidavit, properly executed and in recordable form, containing such information as is required by IRC Section 1445(b)(2) and its regulations;

(v) Well Disclosure Statement. A Well Disclosure Statement, properly executed and in recordable form, disclosing any wells existing on the Property or, if no wells, a statement to that effect on the Deed;

(vi) Bring-Down Certificate. The Bring-Down Certificate;

(vii) Closing Statement. A settlement statement consistent with this Agreement;

(viii) Possession. Seller will deliver complete and sole possession of the Property at the Closing to Buyer; and

(ix) Other Documents. All other documents reasonably determined by the Title Company to be necessary to transfer the Property to Buyer free and clear of all encumbrances, except those encumbrances identified in the Title Commitment, and not objected to or waived pursuant to **Section 4** herein.

(b) Buyer's Closing Documents. On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, "**Buyer's Closing Documents**");

(i) Purchase Price. The balance of the Purchase Price to be paid as required by **Section 2** hereof;

(ii) General Assignment. The General Assignment, in which the Buyer will assume all of Seller's obligations in the interests assigned therein, arising on and after the Closing Date;

(iii) Closing Statement. A settlement statement consistent with this Agreement; and

(iv) Title Documents. Such affidavits of Buyer or other documents as may be reasonably required by the Title Company in order to record the Seller's Closing Documents and issue the Title Policy required by **Section 4** above.

6.) PRORATIONS. Seller and Buyer shall make the following prorations and allocations at Closing:

(a) Title Insurance, Escrow and Closing Fee. Buyer shall pay the cost of the premium for the Title Policy and for the cost of the Survey. Seller and Buyer shall share equally the closing fee or charge imposed by the Title Company or its designated closing agent.

(b) Deed Tax. Seller shall pay all state deed tax due in connection with the recording of the Warranty Deed contemplated herein.

(c) Real Estate Taxes and Special Assessments. Seller shall pay or cause to be paid all general real estate taxes payable in the years prior to the year in which the Closing occurs, and any deferred or Green Acres real estate taxes. Seller and Buyer shall prorate the general real estate taxes payable in the year of the Closing as of the Closing Date based upon the calendar year. Seller shall pay, on or before the Closing Date, all special assessments levied, "pending," deferred or constituting a lien against the Real Property as of the Closing Date.

(d) Recording Costs. Seller will pay the cost of recording all documents in connection with any title matters, except for the cost of recording of the Warranty Deed, which will be Buyer's cost.

(e) Due Diligence Costs. Buyer shall be responsible for all costs and expense of its due diligence.

(f) Leases/Occupancy Rights. Seller shall be solely obligated for all costs and expenses of terminating all leases and occupancy rights with respect to the Property. Any rent and/or additional rent payments will be prorated as of the Closing Date.

(g) Attorneys' Fees. Each party shall pay its own attorneys' fees in connection with the preparation and negotiation of this Agreement and the Closing. Notwithstanding the forgoing, a party defaulting under this Agreement or any of its respective Closing Documents shall pay the reasonable attorneys' fees and court costs incurred by the nondefaulting party to enforce its rights regarding such default.

7.) INTERIM ACTIONS. After the Effective Date and until the Closing (or the earlier termination of this Agreement (the "**Executory Period**")), Seller will refrain from (i) creating or incurring any mortgage, lien, pledge or other encumbrance in any way affecting the Property other than those matters which Seller agrees to cause to be released prior to the Closing; (ii) executing any contracts, leases, or other agreements regarding the Property that shall not be terminated or concluded before the Closing; (iii) committing any waste or nuisance upon the Property; (iv) performing any mining, crushing, processing, mixing or excavation activities on the Property; (v) burying any trees, stumps, boulders, trash, refuse or brush on the Property; (vi) executing any other document that obligates the owner of the Property after the date of the Closing; or (vii) recording any document against the Property for purposes other than the clearing or removal of liens or encumbrances without the prior written consent of Buyer, which may be withheld in its sole discretion. During such period, Seller will use reasonable efforts to cause the Property to be maintained in a neat condition, and Seller will observe all applicable laws, ordinances, regulations and restrictions affecting the Property.

8.) DAMAGE. If, prior to the Closing Date, all or any part of the Property is substantially damaged by fire, casualty, the elements or any other cause, Seller shall immediately give notice to Buyer of such fact, and, at Buyer's option (to be exercised by written notice to Seller within thirty (30) days after the date of Seller's notice), this Agreement shall terminate, in which event Title Company shall promptly return the Earnest Money to Buyer. Upon such termination and return, neither Seller nor Buyer shall have any further rights or obligations under this Agreement, except for the Surviving Covenants. If Buyer does not elect to terminate this Agreement despite such damage, or if the Property is damaged but not

substantially, Seller shall promptly and diligently commence to repair such damage or destruction and return the Property to its condition prior to such damage as reasonably possible. If such damage shall be completely repaired prior to the Closing Date, then there shall be no reduction in the Purchase Price, and Seller shall retain the proceeds of all insurance related to such damage. If such damage shall not be completely repaired prior to the Closing Date, then Buyer shall complete the repairs after the Closing Date and shall be entitled to receive the proceeds of all insurance related to Buyer's completion of such repairs. For purposes of this Section, the phrase "substantially damaged" shall mean damage that would cost (as so determined by an independent architect or other person mutually acceptable to Buyer and Seller) Fifty Thousand and No/100 Dollars (\$50,000.00) or more to repair.

9.) CONDEMNATION. If, during the term of this Agreement, any governmental entity commences any eminent domain proceedings ("**Proceedings**") against all or any part of the Property, Seller shall immediately give notice to Buyer of such fact, and, at Buyer's option (to be exercised by notice to Seller within thirty (30) days after Seller's notice), this Agreement shall terminate and Buyer shall receive a refund of the Earnest Money. Upon such termination and return, neither Seller nor Buyer shall have any further rights or obligations under this Agreement, except for the Surviving Covenants. If Buyer does not give such notice, then there shall be no reduction in the Purchase Price, and Seller shall assign to Buyer at the Closing Date all of Seller's right, title, and interest in and to any award made or to be made in the Proceedings.

10.) SELLER'S REPRESENTATIONS AND WARRANTIES. Seller, represents and warrants to Buyer as of the date of this Agreement, and as of the Closing Date as follows:

(a) Authority. Seller's execution and delivery of this Agreement and consummation of the transaction contemplated by this Agreement are within Seller's authority and capacity and all requisite action has been taken to make this Agreement a valid and binding obligation of Seller in accordance with its terms.

(b) No Legal Bar. To Seller's actual knowledge, Seller's execution of this Agreement and consummation of the transaction contemplated hereby does not and will not (i) result in a breach of or default under any indenture, agreement, instrument or obligation to which Seller is a party and which affects all or any portion of the Property, or (ii) violate any applicable law.

(c) No Litigation or Actions. There are no actions, suits, proceedings, or investigations pending or, to Seller's actual knowledge, threatened against the Property or any portion thereof, or any pending or threatened condemnation, federal forfeiture action or similar proceeding affecting the Property or any portion thereof, nor is Seller aware of any event which could give rise to a federal forfeiture action concerning the Property.

(d) Title. Seller is the holder of good and marketable fee simple and record title to the Property, free and clear of all liens, claims, encumbrances and restrictions except those which are filed of record against the Property. To Seller's actual knowledge, no circumstance or event exists that may allow any governmental authority to seize the Property under any civil or criminal law authorizing seizure or forfeiture.

(e) No Hazardous Material. Except as disclosed in the Documents, Seller has not received any notice and to Seller's actual knowledge no portion of the Property has ever been used by Seller or a previous owner and/or operator to generate, manufacture, refine, transport, treat, store, handle or dispose of hazardous material in violation of applicable laws, whether used in construction or stored on the Property, and Seller has not received a summons, citation, directive, letter or other communication, written or oral,

from any governmental authority concerning any intentional or unintentional action or omission which resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of hazardous material on the Property. The term “hazardous material” as used in this Agreement means any flammable or explosive materials, petroleum or petroleum products, natural gas or synthetic gas usable for fuel, radioactive materials, hazardous wastes or substances or toxic wastes or substances, including without limitation, any substances now or hereafter defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “toxic materials” or “toxic substances” under any applicable governmental law or regulations.

(f) No Parties in Possession. There are no parties other than Seller in possession of any portion of the Property except for roadway easements, nor are there any farming or other leases (oral or written) applicable to or affecting the Property.

(g) No Violations of Law. To Seller’s actual knowledge, there is no condition of the Property that violates any applicable law or governmental requirements, nor does there exist any uncured notices which have been served by any governmental authority of violations of laws, rules or regulations which would affect the Property or any portion thereof or its proposed development.

(h) Solvency. Seller and any entity or person that owns or controls Seller are not bankrupt or insolvent under any applicable federal or state standard, have not filed for protection or relief under any applicable bankruptcy or creditor protection statute, and have not been threatened by creditors with an involuntary application of any applicable bankruptcy, receivership or creditor protection statute.

(i) No Contrary Property Rights. No third party has an option to purchase, right of first refusal, right of first offer or other similar right with respect to all or a portion of the Property and Seller has not entered into any other contracts for the sale of all or any portion of the Property with any third party.

(j) Methamphetamine Disclosure. To Seller’s actual knowledge, Seller is not aware of any methamphetamine production occurring on the Property. This representation is intended to satisfy the requirements of Minn. Stat. § 152.0275, Subd. 2(m).

(k) Well Disclosure; Sewer Treatment System Disclosure. To Seller’s actual knowledge, there is one (1) “Well,” as defined in Minn. Stat. § 103I.005, Subd. 21, on the Property. This representation is intended to satisfy the requirements of Minn. Stat. § 115.55, Subd. 6. To Seller’s actual knowledge, there is no individual sewage treatment system (“**system**”), as defined in Minn. Stat. § 115.55, Subd. 1, on the Property.

(l) Above and Underground Storage Tanks. To Seller’s actual knowledge, there are no known underground or above ground tanks located in or about the Property.

(m) Assessments. Seller has not received any notice of any actual or proposed special assessments or reassessments of the Real Property.

(n) FIRPTA. Seller is not a “foreign person,” “foreign partnership,” “foreign trust” or “foreign estate,” as those terms are defined in Section 1445 of the Internal Revenue Code.

Seller will indemnify Buyer and its successors and assigns against, and will hold Buyer and its successors and assigns harmless from, any expenses or damages, including reasonable attorneys’ fees, that

Buyer incurs because of the breach of any of the above representations and warranties, whether such breach is discovered before or after the Closing.

11.) BUYER'S REPRESENTATIONS AND WARRANTIES.

(a) Authority. Buyer's execution and delivery of this Agreement and consummation of the transaction contemplated by this Agreement are within Buyer's authority and capacity and all requisite action has been taken to make this Agreement a valid and binding obligation of Buyer in accordance with its terms.

(b) No Legal Bar. To Buyer's actual knowledge, Buyer's execution of this Agreement and consummation of the transaction contemplated hereby does not and will not (i) result in a breach of or default under any indenture, agreement, instrument or obligation to which Buyer is a party, or (ii) violate any applicable law.

12.) DEFAULT/REMEDIES. Time is of the essence of this Agreement. If Buyer defaults in performance of its obligations under this Agreement, as its sole and exclusive remedies, Seller shall have the right to terminate this Agreement in the manner provided by Minn. Stat. Sec. 559.21 and to obtain the Earnest Money as liquidated damages. Except for Seller's right to receive the Earnest Money as provided in preceding sentence, Seller waives all other rights and remedies including the right to recover damages and the right to seek specific performance. Notwithstanding any provision herein and without limiting Seller's rights in the preceding sentence, Seller shall be entitled to all rights and remedies available at law or in equity (but excluding lost profits or exemplary or punitive damages) for Buyer's breach of any representation, warranty, indemnity or other agreement which survives the Closing or the termination of this Agreement.

If Seller defaults in performance of its obligations under this Agreement, as its sole and exclusive remedies, Buyer shall have the right to either: (a) terminate this Agreement by written notice delivered to Seller, in which event the Earnest Money will be refunded to Buyer; or (b) enforce specific performance of this Agreement provided such action is commenced not later than one (1) year after the date such default. Notwithstanding any provision herein and without limiting Buyer's rights in the preceding sentence, Buyer shall be entitled to all rights and remedies available at law or in equity (but excluding lost profits or exemplary or punitive damages) for Seller's breach of any representation, warranty, indemnity or other agreement which survives the Closing or the termination of this Agreement.

13.) SURVIVAL. All of the covenants, representations and warranties made in this Agreement, or in any schedule, exhibit, certificate, or document delivered in connection with this Agreement will survive and be enforceable after Closing, except that Buyer's and Seller's respective representations and warranties shall expire and terminate 24 months after the Closing Date.

14.) REAL ESTATE BROKERS. Parties hereby represents that they have not engaged the services of any real estate agent or broker with respect to the Property and that no commissions or fees are due for the sale and purchase of the Property.

15.) ASSIGNABILITY. Buyer reserves the right to, at Buyer's sole discretion, (i) assign all or part of its interest in this Agreement. No such assignment or transfer will relieve Buyer of its obligations under this Agreement. Notwithstanding the foregoing, neither Seller nor Buyer may assign its rights under this Agreement for any other purpose, without the prior written consent of the other party, which consent shall not be unreasonably withheld.

16.) NOTICES. Any notice required or permitted to be given hereunder will be properly given in accordance with this Agreement, if it is mailed, by United States certified mail, return receipt requested,

postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

To Seller:

To Buyer: City of Dayton EDA
12260 South Diamond Lake Road
Dayton, MN 55327
Attn: Jon Sevald, Community Development
Director
Email: jsevald@cityofdaytonmn.com

With a copy to: LeVander, Gillen & Miller, PA
1305 Corporate Center Drive
Suite 300
Eagan, MN 55121
Attn: Amanda Johnson
Email: ajohnson@levander.com

Notice shall be effective, and the time for response to any notice by the other party shall commence to run, one (1) business day after any such mailing or deposit. Either Seller or Buyer may change its address for the service of notice by giving notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change. Notwithstanding the foregoing, any party may give any other party written notice hereunder by any means other than by United States registered or certified mail or overnight courier, which is reasonably calculated to reach the other party, including but not limited to hand delivery or email transmission. Notice given by hand delivery, and notice given via email with confirmation of receipt, shall be effective as of the day of delivery or transmission if said notice is delivered or transmitted before or during regular business hours (i.e., 9:00 a.m. through 5:00 p.m. central time, Monday through Friday, excluding office holidays), or the day after delivery or email transmission with confirmation of receipt if delivered or transmitted after regular business hours.

17.) CAPTIONS. The Section and paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement.

18.) ENTIRE AGREEMENT; MODIFICATION. This written Agreement constitutes the complete agreement between Seller and Buyer and supersedes any prior oral or written agreements between them regarding the Property. There are no oral agreements that change this Agreement, and no amendment of any of its terms will be effective unless in writing and executed by both Seller and Buyer.

19.) JOINT AND SEVERAL. If the term "Seller," includes more than one person, firm or corporation, each shall be jointly and severally liable for the obligations of Seller.

20.) LIMITATION OF LIABILITY. Upon Closing, Buyer shall neither assume nor undertake to pay, satisfy or discharge any liabilities, obligations or commitments of any Seller other than those specifically agreed to between the parties and set forth in this Agreement.

21.) BINDING EFFECT. This Agreement binds and benefits the Seller and Buyer and their respective successors and permitted assigns.

22.) CONTROLLING LAW. This Agreement has been made under, and will be interpreted and controlled by, the laws of the State of Minnesota.

23.) SEVERABILITY. If any provision of this Agreement is invalid or unenforceable, such provision shall be deemed to be modified to be within the limits of enforceability or validity, if feasible; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

24.) DATES. If the final day of a period or a date of performance under this Agreement falls on a Saturday, Sunday or legal holiday, then the final day of any such period or any such date of performance will be deemed to fall on the next day which is not a Saturday, Sunday or legal holiday.

25.) ELECTRONIC SIGNATURES. This Agreement may be executed with signatures transmitted by email or other electronic means and shall constitute a binding agreement with such signatures.

26.) COUNTERPARTS. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Seller and Buyer have executed this Agreement as of the date set forth above.

SELLER:

David Lent

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by David Lent.

Notary Public

BUYER:

**City of Dayton Economic
Development Authority, a public
body corporate and politic organized
under the laws of Minnesota**

By: _____
Tim Huttner, President

By: _____
Jon Sevald, Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Tim Huttner and Jon Sevald, respectively the President and the Executive Director of the City of Dayton Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State of Minnesota, on behalf of said Authority.

Notary Public

EXHIBIT A

The Land is described as follows:

All that part of Section 36, Township 121, Range 23, West of the 5th Principal Meridian, Hennepin County, Minnesota, described as follows:

Commencing 60 feet West of the Northwest corner of Block 13, Village of Dayton; thence South along the West line of Richardson Street 165 feet; thence West at right angles 160 feet to the actual point of beginning; thence South at right angles 50 feet; thence West at right angles to Crow River, thence Northerly along Crow River to a point West of the actual point of beginning; thence East at right angles to Richardson Street, to the actual point of beginning;

And that part of Section 36, Township 121, Range 23, described as follows: Beginning at a point 60 feet West of the Northwest corner of Block 13, Village of Dayton; thence South along the West line of Richardson Street 150 feet to the actual point of beginning of the tract to be described; thence continuing South along said West line 59 feet; thence West at right angles 160 feet; thence North at right angles 44 feet; thence West at right angles to Crow River; thence Northerly along Crow River to a point 15 feet North at right angles from the last described line which point is due West from the actual point of beginning; thence East to the actual point of beginning, Hennepin County, Minnesota.

AND

Commencing at a point 60 feet West of the Northwest corner of Block 13, Town of Dayton; thence West 40 feet; thence South 150 feet; thence East 40 feet; thence North 150 feet to place of beginning, being in Section 36, Township 121, Range 23, West of the 5th Principal Meridian, Hennepin County, Minnesota.

AND

That part of Section 36, Township 121, Range 23, described as follows: Commencing at a point 100 feet West of the Northwest corner of Block 13, of the Townsite, now Village of Dayton, thence West 120 feet; thence South 150 feet, thence East 120 feet; thence North 150 feet to the place of beginning.

AND

That part of Government Lot 5, Section 36, Township 121, Range 23, described as follows: Beginning at a point 220 feet West of the Northwest corner of Block 13 in the Townsite of Dayton (also known as the Village of Dayton); thence South 150 feet; thence West to the Crow River; thence Northerly along the Crow River to a point due West of the point of beginning; thence due East to the point of beginning.

Except

That part of Government Lot 5, Section 36, Township 121, Range 23, Hennepin County, Minnesota described as follows:

Commencing at the East Quarter corner of said Section 36; thence on an assumed bearing of South 00 degrees 43 minutes 38 seconds West, along the East line of said Government Lot 5, a distance of 419.68 feet; thence North 89 degrees 18 minutes 25 second West, a distance of 190.48 feet to the point of beginning; thence South 00 degrees 41 minutes 35 seconds West, a distance of 130.62 feet; thence North 89 degrees 18 minutes 25 seconds West to the shoreline of the Crow River; thence Northerly along said shoreline of the Crow River to

the intersection of a line that bears North 89 degrees 18 minutes 25 seconds West from the point of beginning; thence South 89 degrees 18 minutes 25 seconds East to the point of beginning.

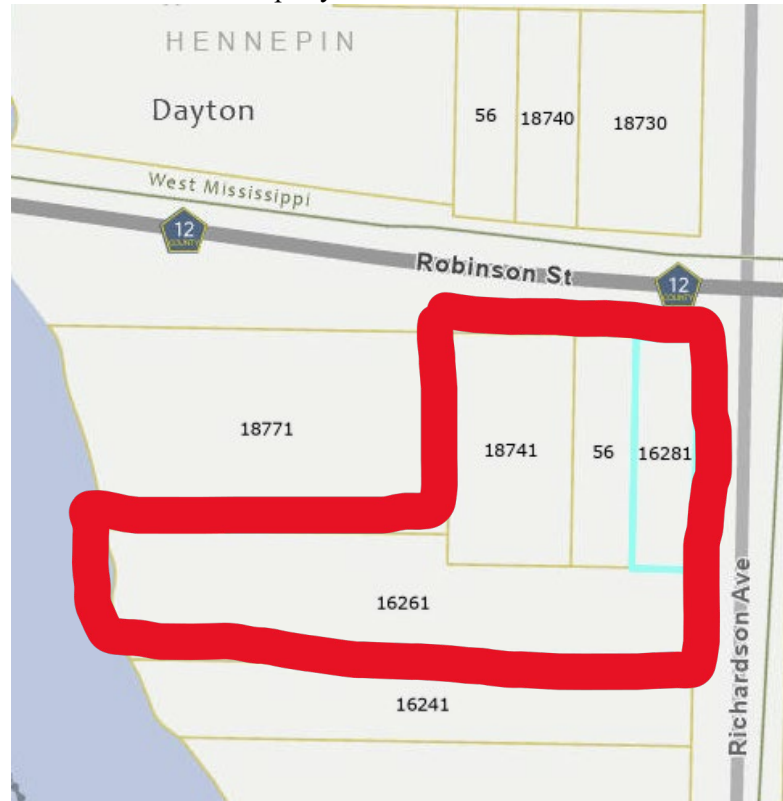
Abstract Property

PIDS: 36-121-23-41-0010, 36-121-23-41-0011, 36-121-23-41-0012, and 36-121-23-41-0021.

EXHIBIT B

Depiction

The Real Property is outlined in red below:



ITEM:

Recommendation Adopting Affordable and Lifecycle Goals for the 2021-2030 Decade

APPLICANT:

N/A

PREPARED BY:

Jon Sevald, Executive Director

POLICY DECISION / ACTION TO BE CONSIDERED:

Motion to Recommend Approval of a Resolution Adopting Affordable and Lifecycle Housing Goals for the 2021-2030 Decade

BACKGROUND:

The Metropolitan Council administers the Livable Communities Act (LCA), providing grants for pre-development, clean-up, development, and policy development. In order for Dayton to be eligible to apply for LCA grants, the City Council (or EDA/HRA) must adopt affordable and lifecycle goals for the 2021-2030 decade before November 15, 2024, in order to qualify to apply for grants in 2025.

Affordable Housing Goals are based the regional need for affordable housing. Life-cycle Housing Goals are based on the number of acres expected to develop for multi-family (2021-2030) X 8 units per acre (142.5 acres X 8 = 1,140 units).

2021-2030 Affordable Housing Goals Range	2021-2030 Life-Cycle Housing Goal
183 - 333	1,140

Affordable Housing is housing affordable to households with incomes at or below 60% of the Average Median Income (AMI).

2024 Rental Housing				
# Bedrooms	30% AMI	50% AMI	60% AMI	80% AMI
Efficiency	\$652	\$1,087	\$1,304	\$1,739
1	\$699	\$1,165	\$1,398	\$1,864
2	\$838	\$1,397	\$1,676	\$2,235
3	\$969	\$1,615	\$1,938	\$2,584
4	\$1,080	\$1,801	\$2,161	\$2,881

2024 Owner Housing	
Family Income Level	Affordable Home Price
30% AMI (\$37,250)	\$100,800
50% AMI (\$62,100)	\$178,000
60% AMI (\$74,520)	\$217,400
80% AMI (97,800)	\$290,300

LCA grants include (2024):

1. Livable Communities Demonstration Account (LCDA) \$9.8 million

2. Transit Oriented Development	\$5.5 million
3. Pre-Development	\$2 million
4. Policy Development	\$200,000
5. Cleanup/Investigation	\$1.25 million
6. Affordable Housing	\$2.5 million
7. Affordable Home Ownership	\$3 million

Seventy-seven communities participate in LCA (2024), including, Ramsey, Maple Grove, Osseo, and Rogers.

CRITICAL ISSUES:

By participating in LCA, the city is not obligated to create affordable housing but is obligated not to prohibit affordable housing from occurring. This applies to the 2040 Comprehensive Plan Housing Goals (paraphrased); *Encouraging a variety of housing types; Improving availability of affordable housing and senior housing; Promoting housing rehabilitation.*

COMMISSION REVIEW / ACTION (IF APPLICABLE):

Motion to Recommend that the City Council Approve a Resolution adopting Affordable Housing Goals, and Life-Cycle Housing Goals.

60/120-DAY RULE (IF APPLICABLE):

	60-Days	120-Days
N/A		

RELATIONSHIP TO COUNCIL GOALS:

Create a Sought After Community

BUDGET IMPACT:

N/A

RECOMMENDATION:

Staff recommends Approval.

ATTACHMENT(S):

Map of Livable Communities Act Participating Communities (2024)
2021-2030 Affordable and Life-cycle Housing Goals Methodology
Resolution



Attachment: 2021-2030 Affordable and Life-cycle Housing Goals Methodology

Months of cumulative outreach and discussion about how 2021-2030 affordable and life-cycle housing goals should be calculated (summarized at a [May 4 Communities Development Committee](#) meeting), has led to a methodology that is consistent and easy to understand. The selected methodology attempts to strike a reasonable, balanced approach that considers the variety of differing circumstances across communities. The 2021-2030 affordable housing goals will be a range to reflect the uncertainty and variety of local affordable housing development, and use a similar approach that 2011-2020 goals used.

How were 2011-2030 affordable housing goals calculated?

In 2009 and 2010 broad discussions were had about how to determine 2011-2020 affordable housing goals, including some of the same stakeholders - and even some of the same people! - that provided input for the coming decade's goals. In summary, an estimate of available funding for affordable housing was determined for the 2011-2020 decade and used to calculate what percent of the decade's *need* for affordable housing could possibly be developed. This percentage was calculated at 65%, which was then applied to each community's share of affordable housing need for 2011-2020 to create a low end of an affordable housing goal range. The high end of a community's goal range was the need number itself. Some communities had access to additional funding sources and therefore the low end of their range was increased, but **most communities' 2011-2020 affordable housing goal was a range between 65% and 100% of their 2011-2020 share of affordable housing need.**

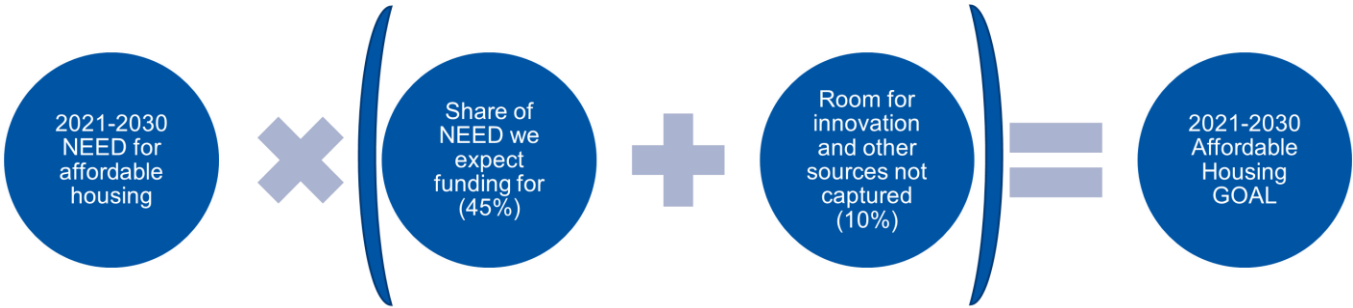
How are 2021-2030 affordable housing goals being calculated?

Affordable and life-cycle housing goals are calculated based on each community's share of the region's need for affordable housing in the coming decade. Each community has, or is in the process of, updating their comprehensive plans to acknowledge this "need" number, which is based on their forecasted sewer-serviced growth, their existing affordable housing choices relative to the regional average, and whether or not they import or export low-wage workers. Forecasted growth considers a community's transit capacity, land use guidance, employment growth, and other economic and demographic trends. "Need" numbers are further adjusted as described above to encourage affordable housing development that will provide reasonable housing options at all incomes throughout the region.

Determining affordable housing "goals" (which are required for LCA participation) based on affordable housing "needs" (which are required to be addressed per the Metropolitan Land Planning Act) ensures that those goals factor in all the unique characteristics of a community. However, it is widely acknowledged that there is not sufficient funding available to meet the forecasted affordable housing "need," and affordable housing goals are an opportunity for cities to consider a more realistic, if still ambitious, number of affordable housing units that could be built in the coming decade.

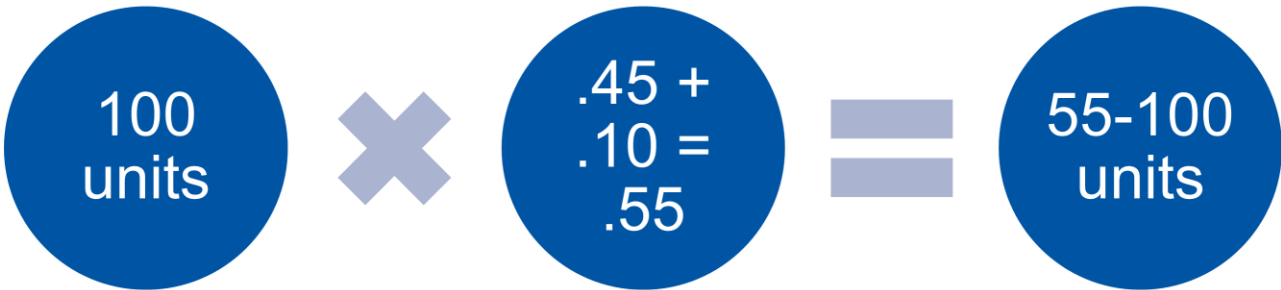
For this reason, the amount of funding anticipated for affordable housing development in the coming decade is the primary consideration in determining affordable housing goals. Working closely with Minnesota Housing, we have estimated that funding in 2021-2030 could support the construction of about 45% of the forecasted need for affordable housing.

We must acknowledge that not every source of affordable housing funding is captured in this calculation. We also acknowledge that there are many things individual local governments can do to incentivize and partner with affordable housing developers to increase their chances of accessing available funding. Finally, many focus group participants and survey respondents indicated a desire to set goals above minimum funding limitations as an incentive to do more. For this reason, we have set the low end of your community's 2021-2030 affordable housing goals at 55% of your share of the region's need for affordable housing (also known as the "need" number in your comprehensive plan). That percentage reflects the funding availability estimate (45%), plus an additional 10% to account for local policies and less common funding sources. Shown another way:



We heard from survey respondents and stakeholder conversations that funding has historically limited our ability to meet all affordable housing needs, but many partners – both cities and other stakeholders – felt that affordable housing goals should also reflect the future need. There is no penalty for not meeting affordable housing goals, and equating “goals” with “needs” may incentivize us to work harder to address affordable housing needs and bring attention to the need for more funding to create resilient communities where housing choices are robust.

For that reason, the high end of your community's 2021-2030 affordable housing goal is equal to your 2021-2030 affordable housing need number from your comprehensive plan. For example, if your share of the region's need for affordable housing in the coming decade is 100 units, your goal range would look like this:

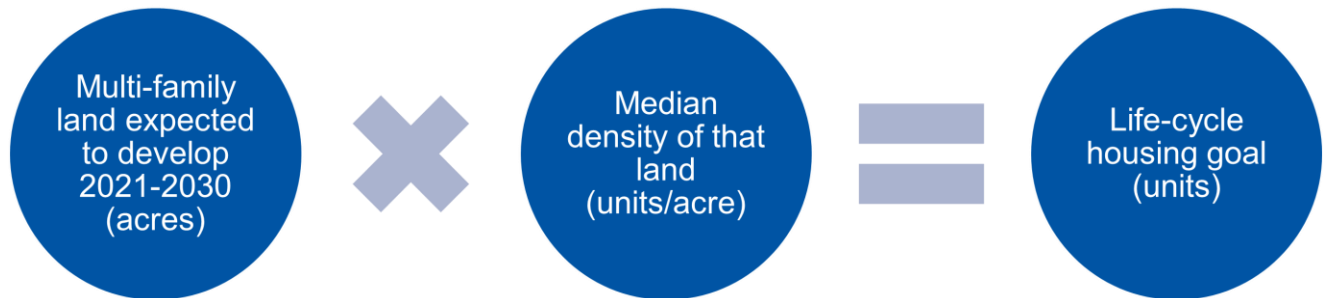


How were 2011-2020 life-cycle housing goals being calculated?

Life-cycle housing goals were also considered in partnership with communities and stakeholders in 2009-2010. In summary, life-cycle housing goals were also determined as a range. The low end of the range was the 2011-2020 share of affordable housing need. The high end of the range was calculated by multiplying all land guided multi-family residential AND expected to develop in the 2011 decade by the maximum densities of those land uses. This resulted in some very high life-cycle housing goals!

How are 2021-2030 life-cycle housing goals being calculated?

Life-cycle goals are intended to ensure communities are allowing for a variety of housing types; specifically a mix of densities within their residential land. Although all communities must allow minimum average residential densities for sewer serviced growth, and additional average density minimums near certain transit investments, this measure is more about knowing how many multi-family units are possible. Therefore, life-cycle goals are being measured by looking at all multi-family land uses (defined as land uses with a minimum of 8 units per acre or more), and multiplying the acres of land expected to develop in the coming decade by the median density of those multi-family land use designations. Shown another way:



**CITY OF DAYTON
COUNTIES OF HENNEPIN AND WRIGHT**

RESOLUTION No. __-2024

**RESOLUTION ADOPTING AFFORDABLE AND LIFECYCLE GOALS
FOR THE 2021-2030 DECADE**

WHEREAS, the Metropolitan Livable Communities Act (Minnesota Statutes sections 473.25 to 473.255) establishes a Metropolitan Livable Communities Fund which is intended to address housing and other development issues facing the metropolitan area defined by Minnesota Statutes section 473.121; and,

WHEREAS, the Metropolitan Livable Communities Fund, comprising the Tax Base Revitalization Account, the Livable Communities Demonstration Account, the Local Housing Incentive Account and the Inclusionary Housing Account, is intended to provide certain funding and other assistance to metropolitan-area municipalities; and,

WHEREAS, a metropolitan-area municipality is not eligible to receive grants or loans under the Metropolitan Livable Communities Fund or eligible to receive certain polluted sites cleanup funding from the Minnesota Department of Employment and Economic Development unless the municipality is participating in the Local Housing Incentives Account Program under Minnesota Statutes section 473.254; and,

WHEREAS, the Metropolitan Livable Communities Act requires that each municipality establish affordable and life-cycle housing goals for that municipality that are consistent with and promote the policies of the Metropolitan Council as provided in the adopted Metropolitan Development Guide; and,

WHEREAS, a metropolitan-area municipality can participate in the Local Housing Incentives Account Program under Minnesota Statutes section 473.254 if: (a) the municipality elects to participate in the Local Housing Incentives Program; (b) the Metropolitan Council and the municipality successfully negotiate new affordable and life-cycle housing goals for the municipality; (c) the Metropolitan Council adopts by resolution the new negotiated affordable and life-cycle housing goals for the municipality; and (d) the municipality establishes it has spent or will spend or distribute to the Local Housing Incentives Account the required Affordable and Life-Cycle Housing Opportunities Amount (ALHOA) for each year the municipality participates in the Local Housing Incentives Account Program.

WHEREAS, the City of Dayton Economic Development Authority, acting as the city's Housing Redevelopment Authority, considered the Resolution at its October 15, 2024 meeting, recommending _____; and,

NOW, THEREFORE, BE IT RESOLVED THAT the City of Dayton:

1. Elects to participate in the Local Housing Incentives Program under the Metropolitan Livable Communities Act for calendar years 2024 through 2030.

2. Agrees to the following affordable and life-cycle housing goals for calendar years 2021 through 2030:

Affordable Housing Goals Range	Life-Cycle Housing Goal
183 - 333	1,140

3. Will submit answers to questions in the Metropolitan Council’s annual Housing Policy and Production Survey that identify actions taken to meet established housing goals and therefore fulfill the requirement of having a Housing Action Plan.

Adopted by the City Council of the City of Dayton this 12th day of November, 2024.

Dennis Fisher, Mayor

ATTEST:

Amy Benting, Assistant City
Clerk/Administrator

Motion by Councilmember _____, seconded by Councilmember _____.
Motion passes.