

City of Dayton
Economic Development Authority (EDA)
January 21, 2025
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, December 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.

5. **Old Business**

7:30 A. Discussion: Damaged/Inoperable Utility Boxes

7:35 B. Discussion: EDA mailer

6. **New Business**

7:40 A. Resolution 01-2025, Approving Contract for Legal Services

7:45 B. Discussion: Market Update; Zach Synstegaard (IAG)

8:15 C. Discussion: Acquisition of tax forfeit properties

- 140XX Dayton Pkwy PID: 31-120-22-14-0009 1.56 acres
- 140XX Dayton Pkwy PID: 31-120-22-13-0010 9.08 acres
- 183XX Robinson St PID: 31-121-22-31-0056 0.28 acres

8:20 7. **Staff & Board Updates** (verbal)

A. Staff Updates

- Vacant residential lot inventory
- Lent property acquisition
- 2025 Legislative Bonding Requests
- Open Meeting Law

B. Board Updates

The next EDA meeting will be Tuesday, February 18, 2025, 7:30 am

8:30 8. **Adjourn**

**MINUTES OF THE DECEMBER 17, 2024
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

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

Roll Call

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

Absent: Luther

Also, in attendance: Jon Sevald, Executive Director; Hayden Stensgard, Planner II

Approval of the Agenda

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

Consent Agenda

A. Approval of EDA Minutes from November 19, 2024

Motion to approve the minutes by Peralta seconded by Fashant, all ayes. Motion passed unanimously.

Open Forum

No one came forward for open forum.

Old Business

A. Public Utilities

Huttner requested an update about the public utilities sticking out of the ground. Sevald stated that he has no news to report. Huttner asked if the public utilities have not called him back. Sevald stated that he turned the information over to Public Works and has not received an update.

Huttner requested Sevald to follow up.

New Business

A. Public Hearing: Resolution 03-2024, Establishing the Boundaries of the Economic Development District for the Economic Development Authority of the City of Dayton, Minnesota

Sevald came forward and stated that before the EDA can buy and sell property the Economic Development Boundaries must be established. The EDA's Attorney has recommended that the entire City of Dayton be established as the District.

Huttner opened the Public Hearing at 7:35 a.m.

No one was present for the Public Hearing.

Huttner closed the Public Hearing at 7:35 a.m.

Motion by Salonek and seconded by Bernens to approve Resolution 03-2024, Establishing the Boundaries of the Economic Development District for the Economic Development Authority of the City of Dayton, Minnesota. Motion passed unanimously.

B. Resolution 04-2024, Approving Elevate Hennepin Multi-Jurisdictional Agreement 2025-2026

Sevald stated that Elevate Hennepin County is a new program that the City participated in 2023 and 2024. The county essentially partners with different advisers to offer free advice for area businesses. The program also offers up to a \$50,000 loan for business improvements or up to \$350,000 to lease commercial space.

The cost to the EDA is \$2,500 per year to participate.

Bernens suggested that making the community aware of Elevate Hennepin County.

Motion by Fashant and seconded by Anderson to approve Resolution 04-2024, Approving Elevate Hennepin Multi-Jurisdictional Agreement 2025-2026. Motion passed unanimously.

Staff Updates

A. Development Updates

Sevald stated that TQ Farms is a property that consists of two single-family lots with a Concept Plan.

Sevald stated that Staff is working on Ordinance Amendments for the A-3 Agricultural District. The intent is to allow for average lot size of 10 acres in the northwestern portion of Dayton.

Sevald stated that Staff is working on Temporary Sign Ordinances and the Parking Ordinances.

Sevald stated that the following items are pending City Council approval: 1) Dayton Creek Addition; 2) Parkway Neighborhood; 3) Territorial Grove; and 4) Ordinance Amendment for cannabis.

Sevald stated that the following items are under construction: 1) Dayton Storage; 2) Opus; 3) Brayburn Trails East; 4) Riverwalk 3rd Addition; and 5) Sundance Woods 11th Addition.

Sevald stated that the City of Dayton purchased the Baxter property on December 6, 2024. It is a 9.5-acre parcel.

Sevald stated that the EDA's purchase of the Lent property will close by December 31, 2024. It is a 1.2-acre parcel.

Sevald stated that the City has the option to purchase Tax Forfeit Property known as the Triangle Property.

Sevald stated that the Cubes has a tenant that will be announced soon.

Sevald stated that Dayton-94 is a 335,000 square foot warehouse/distribution building that has a new tenant. NFI is a New Jersey based company.

Sevald stated that Turbine Pro will be moving into 74,000 square feet of the Opus building. Currently 24,000 square feet remain available for lease.

Sevald stated that MTL and Curbside Waste have both been completed.

Bernens asked if MTL is moving from Rogers. Sevald was not sure.

Sevald stated that Dayton Storage is under construction. The utilities have been the hold up. This is a 40,000 square foot self-storage facility.

Sevald stated that Brayburn Trails East 1st and 2nd Additions have 109 Final Platted lots and 30 yet to be Final Platted lots.

Sevald stated that Riverwalk 2nd Addition has 41 lots. Riverwalk 3rd Addition has 25 Lots.

Sundance Greens 11th Addition has 31 lots.

The River View Villas consists of two buildings with three units in each building.

Bernens asked if the second River View Villa will be going up soon.

Sevald stated that he's going to guess that the framers will work on one building and then the second building.

Additional discussion ensued.

Stensgard reminded Sevald to discuss bonding from the Legislature.

Sevald asked for confirmation from the EDA that they wish to pursue bonding from the Legislature to purchase property in The Historic Village through either a motion and a second or head nods.

Huttner stated that a while back he chatted with certain Senators and there is a good chance of making the funding available.

Huttner stated that the paperwork has been filled out. All we need is a nod to pursue the \$400,000 grant.

Bernens asked if the bonding can be used to purchase and enhance the property.

Additional discussion ensued.

Motion to approve moving forward with the grant by Salonek seconded by Peralta, all ayes. Motion passed unanimously.

Board Updates

A. The next EDA Meeting will be Tuesday, January 21, 2025, at 7:30 a.m.

B. Update on EDDM

Salonek asked for clarification on what the EDDM is. Huttner stated that he's referring to a flyer for the EDA.

Upon further clarification, Salonek asked if Huttner wants to send the notification to all residents. The answer is yes. The flyer would be in addition to the Dayton Communicator.

Huttner stated that the EDA's official position is that we don't talk to home-based businesses. There was consensus that the EDA's official position is actually Huttner's official position.

Salonek suggested a discussion on the criteria for the EDA loans, noting that the criteria is already set.

Bernens suggested that the EDA review the criteria.

Anderson stated that he was reading about the development of the Brooklyn Park area, and it was fascinating. They hired a consultant who was familiar with city planning. Anderson went on to state that Dayton's development seems random, and he asked if Dayton has ever considered some professional planning.

Fashant concurred on the fact that the article was fascinating. The sticking point for Fashant was the \$300,000 that it will cost for the consultant. Fashant went on to explain that the Comprehensive Plan is the "big picture" guide for Dayton.

Anderson asked if the plans were on the City's website. No answer was given.

Additional discussion ensued.

Bernens stated that the EDA hired an attorney, and she'd done great work. We discussed hiring a real estate agent.

Three or four meetings ago Bernens suggested an agenda item to be direction for the real estate agent. Ideally the real estate agent would be looking for businesses who have more employees and not necessarily the need for a warehouse.

Sevald stated that AIG's job is to buy and sell property for the EDA.

Bernens stated that he was of the impression that they would also assist the EDA in locating interested parties to move to Dayton—almost like a matchmaker.

Sevald stated that AIG would only work with property that the EDA owns.

Fashant stated that he too thought that AIG was in the business of lining the EDA up with potential developers.

Additional discussion ensued.

Sevald asked what the EDA would like to see in the future.

Bernens stated that there are already too many warehouses in Dayton. He'd like to see buildings that would be compatible with hundreds of high-paying jobs. Boston Scientific was the specific example given.

Anderson asked if the Zoning Laws fall under the purview of the EDA.

Sevald stated that the EDA has an influence on the City Council, but the actual changes have to be instituted by the City Council.

Bernens suggested that the EDA should have more interaction with AIG like they have with the attorney.

Sevald asked what the EDA would like to see on "the triangle property." The answer was office space or some sort of retail.

Sevald stated that if the EDA's vision is high-tech office space or retail property, then you're going to have to be prepared to say no to a lot of other projects.

Peralta is not a fan of retail space because retail stores are closing due to online shopping.

Anderson stated that the EDA needs an update on what the area will support because it ultimately doesn't matter what we want if the area doesn't support it.

Adjourn

Motion by Peralta and seconded by Bernens to adjourn at 8:30 a.m. Motion passed unanimously.

Respectfully submitted,
Jon Sevald, Executive Director

ITEM:

Discussion: Damaged/Inoperable Utility Boxes

APPLICANT/PRESENTERS:

City of Dayton

PREPARED BY:

Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:

At the November 19, 2024 EDA meeting, the EDA discussed requiring utility companies to repair or remove damaged or inoperable utility boxes around the city. Such condition is a violation of City Code 152.62(B) (Abandoned and Unusable Facilities and Equipment).

No progress has been made. Enforcement will include Staff canvassing all right-of-way in the city, documenting code violations, issuing correction notices and taking legal action if necessary. Currently, Staff does not have the time capacity to conduct proactive code enforcement. In mid-2025, the city will hire fulltime fire fighters (duty crew), which should have capacity to conduct limited code enforcement, supplementing other staff (Community Service Officer, Planner II).

CRITICAL ISSUES:

1. Blight. Damaged/inoperable utility boxes is a public nuisance causing blight and may deter property maintenance and investment.
2. Reactive Code Enforcement. The City conducts reactive code enforcement, meaning that code enforcement is only conducted based on complaints about specific properties, or specific areas. If the City Council were to change this policy to proactive code enforcement, more staff is needed.

RELATIONSHIP TO COUNCIL GOALS:

N/A

ROLE OF EDA:

Provide Direction.

RECOMMENDATION:

Staff recommends providing an article in the Dayton Communicator listing utility customer service contacts residents can call to report if their utility box is damaged.

ATTACHMENT(S):

Photo example
City Code 152.62



13601 Balsam Ln (Nov 15, 2024)

DAYTON CITY CODE

§ 152.62 ABANDONED AND UNUSABLE FACILITIES AND EQUIPMENT.

- (A) A registrant who has determined to discontinue its operations with respect to any facilities or equipment in any right-of-way, or segment or portion thereof, in the city must either:
- (1) Provide information satisfactory to the city that the registrant's obligations for its facilities and equipment in the right-of-way under this chapter have been lawfully assumed by another registrant; or
 - (2) Submit to the city a proposal and instruments for transferring ownership of its facilities and equipment to the city. If a registrant proceeds under this clause, the city may, at its option:
 - (a) Purchase the facilities or equipment;
 - (b) Require the registrant, at its own expense, to remove the facilities or equipment; or
 - (c) Require the registrant to post an additional bond or an increased bond amount sufficient to reimburse the city for reasonably anticipated costs to be incurred in removing the facilities or equipment.
- (B) Equipment or facilities of a registrant which fails to comply with the preceding paragraph and which, for two years, remains unused shall be deemed to be abandoned by the registrant. Abandoned facilities or equipment is deemed to be a nuisance. The city may exercise any remedies or rights it has at law or in equity, including, but not limited to:
- (1) Abating the nuisance;
 - (2) Taking possession of the facilities or equipment and restoring it to a useable condition;
 - (3) Requiring removal of the facilities or equipment by the registrant or by the registrant's surety; or
 - (4) Exercising its rights pursuant to the performance and restoration bond.
- (C) Any registrant who has unusable facilities or equipment in any right-of-way shall remove it from that right-of-way during the next scheduled excavation, unless this requirement is waived by the city.

(Ord. 2004-09, passed 11-23-2004; Ord. 2019-02, passed 1-8-2019)

ITEM:

Discussion: EDA Mailer

APPLICANT/PRESENTERS:

City of Dayton

PREPARED BY:

Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:

During the November 19, 2024 EDA meeting, the EDA discussed publicizing its Revolving Loan program by mailing a flyer to residents and businesses.

The EDA's direction was to provide an article in the Dayton Communicator, and to consider a mailer. Mailer cost estimate (Minuteman Press):

Design	\$ 47
5½" X 8½" postcard (4,000)	\$ 429
8½" X 11" flyer (4,000)	\$ 819
Postage	\$1,280
<hr/>	
TOTAL	\$1,800 - \$2,200

CRITICAL ISSUES:

The EDA has \$295,000 available in its Revolving Loan fund for low interest loans to qualified businesses up to \$50,000. The program is not widely advertised other than through the city's website.

RELATIONSHIP TO COUNCIL GOALS:

Create a Sought After Community

ROLE OF THE EDA:

1. Should the EDA issue a mailer?
2. Recommend edits to the mailer

RECOMMENDATION:

None.

ATTACHMENT(S):

Sample Mailer, 5 ½" X 8.5"
Dayton Communicator article
Low Interest Loan Fund Guidelines



12260 South Diamond Lake Road
Dayton, MN 55327

ECRWSS
Postal Customer



CITY OF DAYTON ECONOMIC DEVELOPMENT AUTHORITY

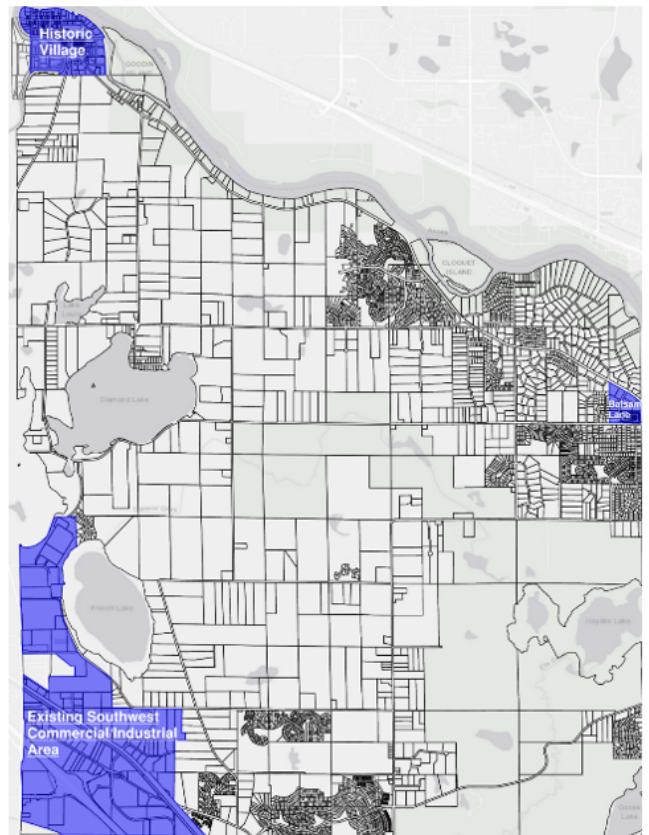
The EDA consists of seven members including two City Councilmembers and five members of the Dayton business community or residents of the City of Dayton with business and/or economic development expertise, each with an interest in promoting the economic growth and development of the City of Dayton.

CITY OF DAYTON EDA Revolving Loan Program

- \$5,000 - \$50,000 loan to locate, expand or remodel business within EDA priority areas (see shaded areas on map). 0%-2% interest rate. Loan dollars may be used to provide assistance for up to 50% of the cost of the project. Conditions apply. Contact the City of Dayton, (763) 712-3221 or see <https://cityofdaytonmn.com/government/economic-development-authority/>

HENNEPIN COUNTY ELEVATE HENNEPIN

- Advisors, mentors, networking, and lending resources. See <https://www.elevatehennepin.org/>
- Support from Business Navigators with; accounting, idea stage, access to capital, business strategy, certification, financial management, human resources, legal, marketing, and technology.



Planning & Zoning

Economic Development Authority

Economic Development Authority

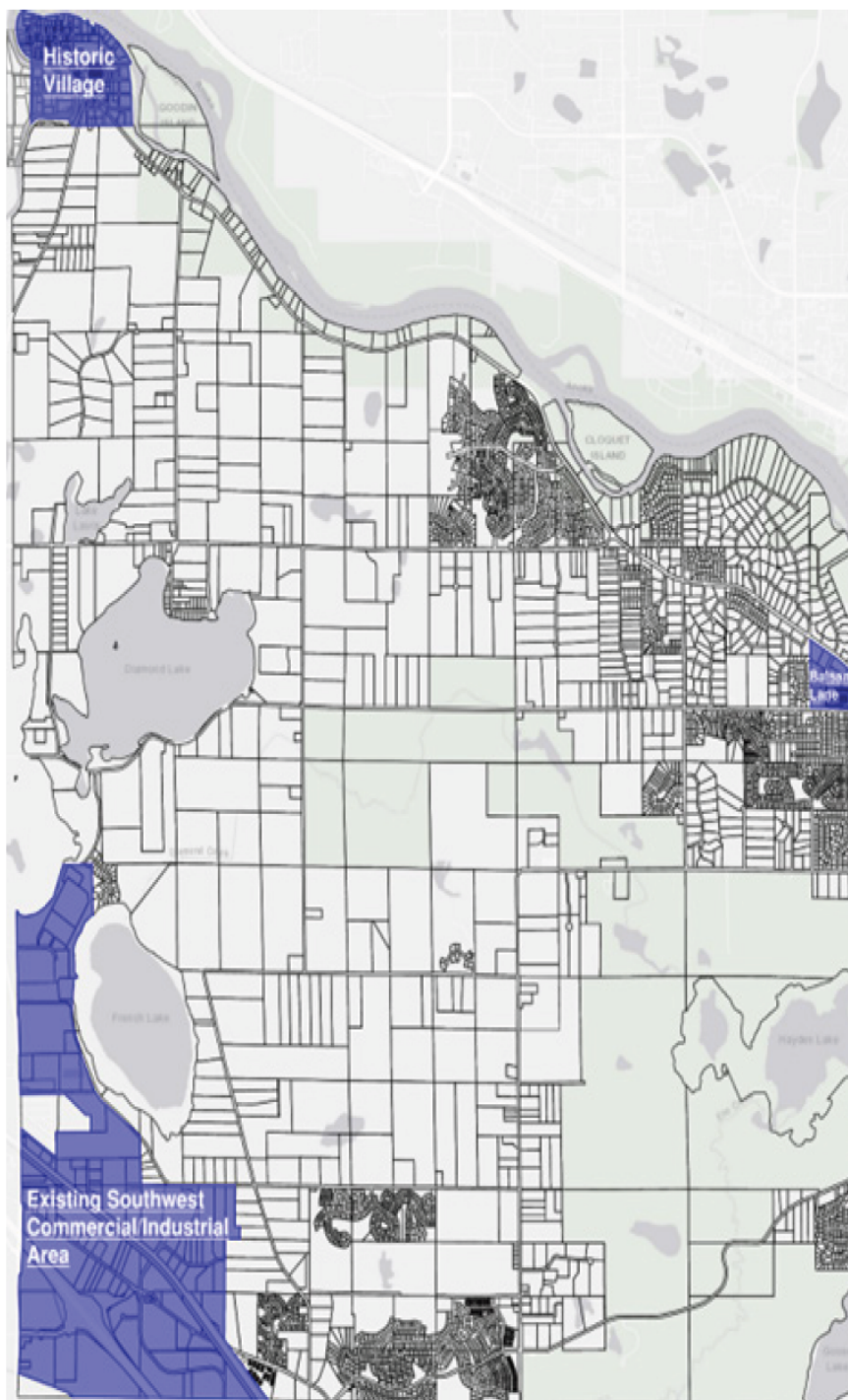
The mission of the EDA is to promote economic growth in the City of Dayton through the attraction of new business, retention of existing business and promotion of managed growth and redevelopment of key areas by providing resources that enable development and enhance the quality of life in Dayton. The EDA addresses ways to enhance economic development at the direction of the City Council in order to meet the City's goals. 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.

Dayton EDA Revolving Loan Fund

The revolving loan program was established to offer low-interest loans for business start-ups, expansions, and retention within the EDA high priority area (see map). Revolving loans can be up to \$50,000 at a maximum 2% interest rate. The funds from the loan can be used by business owners for the purchase of equipment, property, or to assist with new construction or renovations.

Interested in finding out more about how the Dayton EDA can help with your business success?

For more information, contact Jon Sevald, Community Development Director at (763)-712-3221 or jsevald@cityofdaytonmn.com



Other Resources for Local Business Assistance

- www.elevatehennepin.org
- metro council.org
- mn.gov/deed
- SBA.gov

CITY OF DAYTON LOW INTEREST LOAN FUND GUIDELINES

I. PURPOSE OF THE LOW INTEREST LOAN FUND

Low interest loan funds are to be used for business start-ups, expansions, and retentions within the EDA's high priority areas including the Historic Village, Balsam Lane Mixed Use area and SW Dayton at the Interchange and Co. Rd. 81 Corridor. Through any of those activities, the overarching goals of this program are:

- Creation or retention of permanent private-sector jobs in order to create economic growth;
- Stimulation or leverage of private investment to ensure economic renewal and competitiveness;
- Increase the local tax base;
- Improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living;
- Stimulation of productivity growth through improved manufacturing or new technologies;
- Fill a gap in a service/product that is not currently available in the city.

II. ELIGIBLE APPLICANTS

Eligible applicants include businesses currently or proposed to be located within the corporate limits of the City of Dayton. The EDA reserves the rights to approve or deny any application and/or amend the policy as it sees fit to best serve the purpose and intent.

III. ELIGIBLE ACTIVITIES/EXPENDITURES

Loan dollars may be used for the following activities:

- Acquisition of land
- Land improvements. Improvements to the land which are a portion of the project cost including but not limited to: grading, new streets or street improvements, parking lots, utilities and landscaping.
- Purchase or renovation of a building. Purchase and, if necessary, renovation of an existing industrial or commercial building.
- Building façade improvements.
- Building construction. Construction of a new building and/or a major addition to an existing building.
- Purchase of machinery and equipment. Purchase of major items of machinery and equipment independent of land and buildings. These items must be defined to have a useful life of at least 5 years.

Loan dollars may be used to provide assistance with loan guarantees, interest buy-downs, and other forms of participation with private sources of financing. The Low interest loan fund assistance can be for no more than one-half of the cost of the project.

All loans must be secured with appropriate collateral. This determination will be made by the EDA.

IV. INELIGIBLE ACTIVITIES

Low interest loan fund assistance may not be used for the following:

- Funds may not be used for non-profit institutions, gambling organizations, lending or investment organizations, land speculation or any activity deemed illegal by federal, state or local law or ordinance.
- Housing Projects serving seniors.
- Ineligible costs include but are not limited to: management fees, financing costs, franchise fees, debt repayment or consolidation, moving costs, refinancing, and operating costs or working capital.

V. LOAN TERMS AND CONDITIONS

The City shall make available to eligible applicant's direct low-interest loans for purpose of encouraging economic development, job creation and job retention to meet business needs and preservation of business districts in the City of Dayton.

- Loan amount -- Minimum \$5,000; Maximum \$50,000. In certain instances, the EDA may approve exceeding the maximum loan amount.
- Location – The business/property owner must locate, expand or remodel within the corporate limits of the City of Dayton (within priority areas).
- Conventional Lender or Equity – Conventional lending sources and/or owner equity must provide at least 50% of the total project financing.
- Job creation/wages paid – Applicant must identify jobs to be created within two years and wages paid.
- Fixed rate interest rate – Prime (as published by the Wall Street Journal) minus two, with a maximum interest rate of 2%.
- Terms:
 - Machinery/Equipment. Term of the loan shall not exceed 7 years.
 - Land/building acquisition. Term of the loan shall not exceed 15 years.
 - New construction/renovation. Term of the loan shall not exceed 15 years.
- Balance due. All balances will be due and payable if and when the loan recipient sells or otherwise transfers any or part of his/her interest in the property or fails to meet any of the guidelines established within this document before the maturity date of the loan or relocates to any part or all of the business outside the City of Dayton.

VII LOAN REQUIREMENTS

- Equity participation. There shall be a minimum 10% owner equity investment of total project costs required of all applicants.
- Collateral requirements. All loan agreements will be secured by one or more of the following; promissory note, mortgage, or security agreement as required by the City; and
- The revolving fund may take a subordinate position to the primary lender on the assets financed; and

- Surety deposits shall be required for certain construction contracts as set forth in Minnesota Statutes 290.9705.
- Letters of Commitment. Letters of commitment from all funding sources must be submitted for the application to be deemed complete.
- Personal guaranty. Personal guarantees of persons with ownership interest of 20% or greater are required. Personal guarantees of persons with ownership interest between 5% to 19% may be required by the City but are discretionary.
- Loan repayments. Loan payments must begin within one month of receipt of the Revolving Loan. The City of Dayton may make exceptions to this rule on a case- by-case basis.
- Loan prepayment. Prepayments are permitted where the Borrower makes the EDA whole for any losses or costs associated with the prepayment.
- Notice of award or denial. Applicants will be notified in writing not more than fourteen (14) days after final action has been taken on their revolving loan fund application by the City.
- Loan closing documents. The City will close the loan within sixty (60) days of final City approval of the loan application. At that time, the City will deliver to the Borrower all closing documents and a final debt service schedule. In exchange, the Borrower will deliver to the City its loan obligation which is defined as a bond, note, or other evidence of obligation issued by the Borrower to evidence its indebtedness under the loan agreement.
- Post-closing amendments and modifications. Requests for amendments and modifications following award, closing or disbursement of funds to the underwriting of the original request require City approval and shall be presented at the next scheduled meeting of the EDA.

VIII ADMINISTRATION.

- Loan review committee. The Dayton EDA will serve as the loan review committee.
- Conflict of Interest. All city officials and employees shall comply with the applicable conflict of interest regulations set forth in the City Code.
- Staff responsibility. Administration staff shall have the general responsibility for coordinating the application process, reviewing loan application, preparing applications and recommendations for review by the EDA, and coordinating the loan approval and service process as set forth in this section.

IX. APPLICATION PROCESS. All parties seeking revolving loan funds must file an application. Application forms may be obtained from the Administration

Department.

1. Components of application. Only completed applications will be reviewed for consideration by Administration department staff. A completed application is one that satisfies the checklist provided below:
 - a. Business plan describing the scope of the project, including site plans, building plans, renderings, or blueprints;
 - b. Project budget;
 - c. Private financing commitment;
 - d. Equity investment commitment;
 - e. Proposed security;
 - f. Company financial statements (3 years);
 - g. Personal financial statements (2 years);
 - h. Credit check release;
 - i. Mortgage or lease of property to be improved;
 - j. Proof of insurance of property to be improved;
 - k. Number of jobs to be created or retained;
 - l. Wage information;
 - m. Amount of loan request; and
 - n. Other documentation as requested.
2. Incomplete applications. Administration Department staff, in its sole discretion, will determine if the application is complete and actionable. Incomplete applications will be assigned *pending* status and the applicant will be informed in writing of the missing documentation.
3. Transmittal. Applications transmitted by oral, telegraphic, facsimile, or e-mail will not be accepted.
4. Determination of eligibility. Applicant eligibility will be determined by community development staff using criteria enumerated in subsection D (1) of this section.
5. Site inspection. As part of the eligibility determination process, the city will inspect the property or building designated for improvements for compliance with the city administrative ordinances and zoning codes.
6. Credit check. A credit check for the company and each of its principal owners shall be conducted by Administration department staff.
7. A 2% loan application/origination fee is charged at time of EDA approval of the loan. This is a non-refundable fee.

X. LOAN APPROVAL PROCESS. Administration Department staff will prepare loan applications and make recommendations to the EDA.

1. EDA agenda. Upon determining the eligibility of the completed application and reviewing for credit worthiness and soundness of plan, community development staff will place loan application on the agenda for the EDA's next scheduled meeting.

2. **Criteria.** The EDA will base their decision on the economic benefit to the City of Dayton, credit underwriting typical to the lending community including the borrower's ability to repay the loan and the collateral offered to secure the loan, the number of jobs to be created or retained, wage rates of jobs created or retained, and increase in the local tax base.
3. **EDA action.** Upon placement on the agenda, the EDA shall approve, deny, or postpone for consideration at a future meeting the loan application request.
4. **Notification of EDA action.** The applicant shall be notified in writing within fourteen (14) days of the EDA's decision
5. **Approval.** If approved, the applicant will be sent a written commitment letter that will outline the terms and conditions of the loan approval. A copy of the commitment letter will be signed by the Borrowers and Guarantors signifying acceptance of the terms and conditions of the loan proposal and the conditions for funding. Upon the return of the executed commitment letter, community development staff will begin the loan closing process with the City Attorney.
6. **Closing.** The City Attorney will prepare documentation and coordinate the closing with the Borrower or the Borrower's counsel.
7. **Loan servicing.** City staff will coordinate loan servicing activities.
8. **Monitoring.** Administration Department staff will monitor loans for compliance with the accepted terms and conditions including job creation statistics and wage and benefit levels.
9. **Reports.** Administration Department staff and finance staff are responsible for ensuring that all required reports are filed in a timely manner.
10. **Records.** Computer files and conventional paper files will be maintained for the purpose of documenting, tracking, and monitoring program and project activities. Program records will be maintained by the Administration department staff and financial records will be maintained primarily by the Finance Division. Where applicable, the following records will be maintained:

- a. **Program records.** The following program information will be maintained in the program project file, including but not limited to:

Environmental report;
 Eligibility determination records as set forth in Section VIII, Subsection E (1) (a-n);
 Property inspection report;
 Progress reports;
 EDA Resolutions;
 Correspondence;
 Loan documents; and
 Executed loan agreement.

- b. **Financial records.** The following financial information will be maintained in the financial project file, including but not limited to:

Copy of the executed loan agreement;
Disbursement data;
Progress reports;
Repayment data; and
Amortization tables.

- c. Record retention. All program and financial records, supporting documents, statistical records, environmental review records and other records pertinent to the revolving loan program shall be maintained for a period of at least three (3) years from the final project report and project closeout date.

XI. Delinquency. There shall be a notification procedure for delinquent loans.

1. The finance officer is responsible for the timely posting and of all loan repayments.
2. Thirty day notice. Upon thirty (30) days delinquency, the finance officer will notify the Finance Director (FD) of the delinquency and the Director shall send the borrower a delinquency notice requesting payment within fifteen (15) days. A copy of the letter shall be forwarded to the City Administrator
3. Forty-five day notice. If payment has not been received by the 45th day a second delinquency notice will be sent to the Borrower by the FD requesting payment within fifteen (15) days. A copy of the letter shall be forwarded to the CA.
4. Sixty day notice. If payment has not been received by the 60th day, the FD will attempt to contact the Borrower by telephone to the delinquency. The FD shall also send a notice of default to borrower via certified mail requesting immediate payment and advising the borrower the delinquency will be placed on the EDA agenda for discussion at the next scheduled meeting.
5. Ninety day notice. If no repayment plan is submitted by the Borrower, or if there is no attempt by the Borrower to negotiate the amount due, the FD will contact the CA and the City Attorney to sending a 90 day letter calling due the loan in full.
6. Negotiation. Throughout this process, every attempt will be made to preserve the company, the jobs, and the loan funds.

XII. Default. If the EDA determines a loan to be in default it will pass a resolution declaring the entity in default and convey the matter to the City Attorney for disposition.

XIII. Recaptured funds. The Dayton Economic Development Revolving Loan Fund will serve as the repository for all loan repayments. These recaptured funds are available to other applicants for utilization as gap financing for certain approved economic development projects. The revolving loan fund shall be administered by a financial management system in compliance with all state and federal requirements.

ITEM:

Resolution 01-2025, Approving Contract for Legal Services

APPLICANT/PRESENTERS:

Jon Sevald, Executive Director

PREPARED BY:

Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:

In August 2024, the EDA contracted with LeVander, Gillen & Miller P.A. (LeVander) for legal services. The contract expires on May 31, 2027 or may be terminated upon 60-days written notice by the EDA or LeVander. Amanda Johnson serves as the principal attorney for the EDA.

On December 27, 2024, the EDA was notified that Amanda Johnson is transitioning from LeVander to Eckberg Lammers, effective January 10, 2025.

The EDA has the option of:

1. Remaining with LeVander, Gillen & Miller with Korine Land serving as principal attorney, or
2. Terminating its contract with LeVander, and entering into a new contract with Eckberg Lammers, with Amanda Johnson as principal attorney.

Eckberg's fees are the same as LeVander's; \$235 p/hour for attorneys, and \$160 p/hour for paralegals. Eckberg includes six attorneys specializing in civil municipal law.

CRITICAL ISSUES:

None.

RELATIONSHIP TO COUNCIL GOALS:

N/A

ROLE OF THE EDA:

Select legal services.

RECOMMENDATION:

Staff recommends retaining Amanda Johnson (Eckberg Lammers).

ATTACHMENT(S):

Resolution 01-2025

Contract for Civil Legal Services (Eckberg Lammers, P.C.)

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

RESOLUTION No. 01-2025

RESOLUTION APPROVING A CONTRACT FOR CIVIL LEGAL SERVICES

WHEREAS, the Amended and Restated Bylaws of the Economic Development Authority (EDA) of the City of Dayton, Article 3, Subdivision 9 authorizes the EDA to employ staff and experts; and,

WHEREAS, the EDA entered into a Legal Services Agreement with LeVander, Gillen & Miller, P.A. (LeVander) with Amanda Johnson serving as principal attorney. This Agreement terminates on May 31, 2027, or upon 60-days written notice by either party; and,

WHEREAS, the EDA was notified by LeVander that Amanda Johnson has transitioned to Eckberg Lammers, P.C. effective January 10, 2025; and,

THEREFORE, BE IT RESOLVED, the EDA Authorizes the EDA President and Executive Director to sign a contract for civil legal services with Eckberg Lammers P.C. with Amanda Johnson as lead attorney, effective January 13, 2025; and,

THEREFORE, BE IT FINALLY RESOLVED, this Resolution shall serve as 60-day written notice to LeVander, Gillen & Miller, P.A. of the termination of the EDA's Legal Services Agreement, effective January 13, 2025.

Adopted by the Economic Development Authority of the City of Dayton this 21st day of January 2025.

Tim Huttner, President

ATTEST:

Jon Sevald, Executive Director

Motioned by _____. Seconded by _____.
Motion Approved

CONTRACT FOR CIVIL LEGAL SERVICES

This Contract for Civil Legal Services (the “Agreement”) is effective as of the 13th day of January, 2025, and is entered into by and between the CITY OF DAYTON ECONOMIC DEVELOPMENT AUTHORITY, a municipal corporation and political subdivision of the State of Minnesota (the “EDA”), and the law firm of ECKBERG LAMMERS, P.C. (the “Law Firm”), for the purpose of utilizing the Law Firm to provide civil municipal legal services to the City.

I. RECITALS

1. The EDA and the Law Firm desire to enter a three-year contract for Civil Legal Services through May 31, 2027, with hourly rates outlined as follows:

Hourly Rate for All Attorneys	\$235
General Hourly Rate for Paralegals	\$160

NOW THEREFORE, IN CONSIDERATION OF the mutual promises contained herein and other good and sufficient consideration, the parties agree to the following:

II. TERMS

1. **Scope and Nature of Services:** The parties agree to the following description of the nature of the legal services to be provided by the Law Firm to the EDA:
 - a. Attend regular or special EDA meetings as requested by the City Administrator or EDA.
 - b. Draft contracts, purchase agreements, and other similar agreements; review agreements and documents as requested by City Administrator or EDA.
 - c. Research and prepare legal opinions on municipal or other legal matters.
 - d. Provide regular updates on significant developments in laws affecting the EDA to the City Administrator, EDA Commission Members, and staff.
 - e. Provide economic development services including advice on development matters, including the drafting of and revisions to development agreements, assessments agreements, and other similar agreements.
2. **Reimbursable Costs and Expenses.**
 - a. **General Rule:** The EDA will reimburse the Law Firm for actual, necessary and reasonable costs and expenses incurred by the Law Firm in the performance of the legal services contained in this Agreement.

b. **Specific Expenses:**

<u>Description of Costs</u>	<u>Rate</u>
Mileage	No Reimbursement
Parking	Actual Cost
Meals	No Reimbursement
Postage	Actual Cost
Messenger	Actual Cost
Court Costs	Actual Cost
Arbitration Costs	Actual Cost
Other Contested Case Costs	Actual Cost
Document Recording & Closing Fees	Actual Cost

3. **Conflict of Interest and Attorney/Client Privilege Issues:**

- a. **Conflict of Interest:** The Law Firm will notify the EDA as soon as practicable if the Law Firm represents or has ever represented an opposing party to the City in a legal matter.
- b. **Attorney/Client Privilege:** The Law Firm is authorized to utilize e-mail without encryption and use of cell phones to transmit and receive confidential client information. The EDA specifically acknowledges that it understands the confidentiality risks associated with inadvertent interception of such information.

4. **Billing Format, Cycle, Payment Expectations, and Interests.**

- a. **Billing Format:** The Law Firm will submit monthly statements itemizing legal services rendered for the prior month broken down into categories.
- b. **Billing Cycle:** The Law Firm will bill monthly for legal services rendered in the prior month. Generally, bills will go out approximately 10 days after the end of the prior month.
- c. **Payment Expectations:** The EDA will pay the bill of the Law Firm routinely according to its internal payment procedures by forwarding a check to the Law Firm paying for both legal services and expenses shown on the Law Firm's bill.
- d. **Disputes:** In the event that the EDA disputes any aspect of the Law Firm's bill, the appropriate EDA representative will contact Nicholas J. Vivian at the Law Firm stating the nature of the dispute.
- e. **Term:** The term of this Agreement will be effective January 21, 2025, and will run through May 31, 2027. During the term of the Agreement, either

party may terminate the Agreement upon 60 calendar days' written notice to the other party.

- f. **Authorized Contact Person:** Amanda Johnson will act as lead attorney for the EDA. However, the parties contemplate that other attorneys in the Law Firm will also be providing services to the EDA subject always to advance approval by the EDA.
- g. **EDA Approval:** The Law Firm is authorized to commence performing services under this contract effective upon the execution of this Agreement.

**CITY OF DAYTON ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Tim Huttner, EDA President

By: _____
Zach Doud, City Administrator

Date: _____

ECKBERG LAMMERS, P.C.

By: _____
Nicholas J. Vivian

Date: _____

ECKBERG LAMMERS MEMORANDUM

To: City of Dayton EDA

From: Amanda Johnson, City of Dayton EDA Attorney

Date: January 21, 2025

Re: Status Summary of Tax Forfeited Property and Next Steps

I. Summary Hennepin County’s Current Position on Tax Forfeited Property Owned by the City.

Last fall, the EDA asked me to investigate what options there may be to purchase tax forfeited property from Hennepin County (“County”). Specifically, the EDA was interested in two tax forfeited parcels, PIDS: 31-120-22-14-0009 and 31-120-22-13-0010, that were previously deeded to the City with a use restriction that requires the property be used for a “Transit hub – Park and Ride facility, right-of-way for Interstate Hwy. 94 Interchange, and additional storm water ponding” (collectively “Property”). The EDA would like to acquire this Property without the use restriction.

Initially, the County stated that the Property must be sold at a public auction under Minn. Stat. § 282.005. After further discussions, the County said that Minn. Stat. § 282.005 did not apply, but the Property still could not be purchased by the City because of another new statute—Chapter 113 of H.F.No. 5246. The County claimed this new statute also required the Property be sold at a public auction. However, I believe there is clear language in Chapter 113 that the Property the EDA wants to acquire is exempt and would instead fall under a process for a municipality to acquire a property outright.

That process is found in yet *another* statute, Minn. Stat. § 282.01, subd. 1d. This statute provides a process for a municipality to purchase a property outright if it does not turn the property into one of the uses permitted under the use restrictions on the deed. In this case, the Property has not been developed into any of the uses on the deed.

I asked the County to consult with the County Attorney. Late in 2024, I heard back from the County that the County Attorney agreed that the City *does* have the legal authority to purchase the Property at “present market value” and instructed County staff to work with the City to facilitate the purchase.

II. Next Steps for the Property.

Now that we know the City has the authority to purchase the Property, below are the next steps in the process:

1. The EDA and the Council need to hold a joint work session to confirm that both bodies agree that the City should purchase the Property. This work session should include a conversation about where the funds will come from to purchase the Property and the Property's public purpose.
2. The Property needs to be purchased by the City, not the EDA, because the current use restricted deed is held by the City. The Property could be transferred from the City to the EDA later for redevelopment purposes.
3. The EDA and Council should select a committee of less than a quorum of either body to engage in negotiations with the County.
4. The City must pay "present market value" for the Property and designate an "authorized public purpose." According to statute, the present market value is determined by the County Board.