



Meeting Location:
Farmington City Hall, Conf. Room 170
430 Third Street
Farmington, MN 55024

ECONOMIC DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

Monday, May 20, 2024
5:30 PM

Page

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. APPROVE AGENDA

5. CITIZEN COMMENTS

6. CONSENT AGENDA

6.1. Minutes of the March 18, 2024 Economic Development Authority Meeting

3 - 7

Approve the minutes of the March 18, 2024 Regular EDA meeting.

[Agenda Item: Minutes of the March 18, 2024 Economic Development Authority Meeting - Pdf](#)

6.2. Monthly Financial Report

8 - 9

Accept monthly Financial Report.

[Agenda Item: Monthly Financial Report - Pdf](#)

6.3. Quarterly Report - Open to Business (Q1 2024)

10 - 15

No action requested. Report is provided for informational purposes only.

[Agenda Item: Quarterly Report - Open to Business \(Q1 2024\) - Pdf](#)

7. PUBLIC HEARINGS

8. DISCUSSION ITEMS

8.1. Choose Vice-Chairperson for the EDA for Remainder of 2024

16

Select a Vice-Chairperson.

[Agenda Item: Choose Vice-Chairperson for the EDA for Remainder of 2024 - Pdf](#)

8.2. Small Business Resource Fair 17 - 18

No action needed.

[Agenda Item: Small Business Resource Fair - Pdf](#)

8.3. 2023 MicroGrant Awards and Updates 19 - 22

No action needed.

[Agenda Item: 2023 MicroGrant Awards and Updates - Pdf](#)

8.4. 2025 Budget - Preliminary Discussion 23 - 31

No formal action is requested. The EDA is asked to discuss the existing budget, existing work plan, and provide direction on future funding levels.

[Agenda Item: 2025 Budget - Preliminary Discussion - Pdf](#)

9. DIRECTOR'S REPORT

9.1. Director's Report 32 - 36

No action requested. This item is information and is provided to communicate how the EDA time and money resources are allocated, and to track and measure the impact of initiatives.

[Agenda Item: Director's Report - Pdf](#)

10. ADJOURN

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Shirley Buecksler, City Clerk
Department: Administration
Subject: Minutes of the March 18, 2024 Economic Development Authority Meeting
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

For approval are the minutes of the March 18, 2024 Regular EDA meeting.

DISCUSSION:

Not applicable

BUDGET IMPACT:

Not applicable

ACTION REQUESTED:

Approve the minutes of the March 18, 2024 Regular EDA meeting.

ATTACHMENTS:

[03.18.24 EDA Minutes](#)

**City of Farmington
Economic Development Authority
Regular Meeting Minutes
Monday, March 18, 2024**

The Farmington Economic Development Authority met in regular session on Monday, March 18, 2024, at Farmington City Hall, 430 3rd Street, Farmington, Minnesota.

1. CALL TO ORDER

Chair Wilson called the meeting to order at 5:36 p.m.

2. PLEDGE OF ALLEGIANCE

Chair Wilson lead everyone in the Pledge of Allegiance.

3. ROLL CALL

Members Present: Chair Steve Wilson
Commissioners Holly Bernatz, Joshua Hoyt, and Nick Lien

Members Absent: Commissioner Katie Porter (excused absence)

Also Present: Lynn Gorski, City Administrator
Julie Flaten, Asst City Administrator/HR Director
Deanna Kuennen, EDA Executive Director
Stephanie Aman, Economic Development Coordinator
Kellee Omlid, Parks and Recreation Director
John Powell, Public Works Director
Shirley Buecksler, City Clerk

4. APPROVE AGENDA

Motion was made by Commissioner Bernatz and seconded by Commissioner Hoyt to approve the agenda, as presented.

Motion carried: 4 ayes / 0 nays

5. CITIZEN COMMENTS

No one addressed the Commission to speak.

6. CONSENT AGENDA

- 6.1 Minutes of the January 16, 2024 Economic Development Authority Meeting
- 6.2 Annual EDA Business – Acknowledgement of Official Newspaper and Establishing the Meeting Schedule
- 6.2 Monthly Financial Report

Motion was made by Commissioner Hoyt and seconded by Commissioner Bernatz to approve the Consent Agenda, as amended.

Motion carried: 4 ayes / 0 nays

7. PUBLIC HEARINGS

There were no public hearings.

8. DISCUSSION ITEMS

8.1 Election of 2024 EDA Chairperson and Vice-Chairperson

Motion was made by Commissioner Hoyt and seconded by Commissioner Lien to elect Steve Wilson as Chairperson and Katie Porter as Vice-Chairperson for 2024.

Motion carried: 4 ayes / 0 nays

8.2 Approval of Joint Powers Agreement with Dakota County CDA for the Open to Business Program

The Open to Business program provides one-on-one technical assistance in the form of business plan development, feasibility analysis, marketing, financial projections, operational analysis, loan packaging, and other to small businesses and entrepreneurs intending to establish, purchase, or grow/improve a business in Dakota County. The cost of the program is shared with the CDA and the participating communities - covering the direct and indirect staffing needs for the program. The annual cost for the program for the next three years is \$165,000, which is a small increase from the last contract. The CDA's annual investment is \$86,720, and Farmington's share is \$5,500.

Motion was made by Commissioner Hoyt and seconded by Commissioner Lien to approve the 2024 Joint Powers Agreement with the Dakota County CDA for the Open to Business Program and authorize execution of the Agreement.

Motion carried: 4 ayes / 0 nays

8.3 Resolution 2024-01 Authorizing Transfer of Funds for City AUAR Review Process

The City is anticipating potential development of two large areas of land. Due to the size of these areas, some level of environmental review will be required. The Alternative Urban Areawide Review (AUAR) process has been determined to be the preferred environmental review method which will provide compliance with Minnesota Rule 4410 and offer flexibility for different development options. Minnesota Statutes and the EDA's Enabling Resolution provide authority for the EDA to expend funds for the benefit of economic development.

Motion was made by Commissioner Bernatz and seconded by Commissioner Lien to adopt Resolution 2024-01 Authorizing Transfer of Funds for City's AUAR Review Process.

Motion carried: 4 ayes / 0 nays

8.4 Authorize Staff to Submit Letter of Support to Minnesota Department of Agriculture in Support of Farmington Food and Spice House's Grant Application

Motion was made by Commissioner Hoyt and seconded by Commissioner Lien to authorize staff to submit a letter of recommendation to the Minnesota Department of Agriculture in support of Farmington Food and Spice House's grant application.

Motion carried: 4 ayes / 0 nays

8.5 Discuss Sponsorship Levels for Minnesota Real Estate Journal Awards Night

Minnesota Real Estate Journal (MREJ) is a strategic marketing partner for the City of Farmington. Each year, MREJ holds an awards competition for many different categories. This year, the City of Farmington is a finalist in two (2) of those categories - Deanna Kuennen is a finalist for Economic Developer of the Year and the City of Farmington is a Finalist for City/County of the Year.

Staff would like the EDA to specifically consider a full table sponsorship level of \$2,950 which allows the City ten (10) attendees at this celebratory event. Half table sponsorship is also available for \$1,750 and allows the City five (5) attendees.

Motion was made by Commissioner Bernatz and seconded by Commissioner Hoyt to approve the full table sponsorship level of \$2,950 and allowing the City ten (10) attendees at the Minnesota Real Estate Journal Awards Night event.

Motion carried: 4 ayes / 0 nays

9. DIRECTOR'S REPORT

9.1 Director's Report

Director Kuennen provided her report and shared a video of Stephanie Aman winning her award as the 2024 Emerging Professional of the Year from the Economic Developers Association of Minnesota.

10. ADJOURNMENT

Motion was made by Commissioner Hoyt and seconded by Commissioner Bernatz to adjourn the meeting at 6:26 p.m.

Motion carried: 4 ayes / 0 nays

Respectfully submitted,

Shirley R Buecksler
City Clerk



 430 Third St., Farmington, MN 55024
 651-280-6800
 FarmingtonMN.gov

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community Dev Director
Department: EDA
Subject: Monthly Financial Report
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

Attached is the monthly Financial Report through May 1, 2024, which includes a year-to-date summary of expenditures.

DISCUSSION:

Attached is the monthly Financial Report for May 2023, including a summary of year-to-date expenditures. The expenditures are consistent with the approved EDA work plan and 2024 budget.

Items to note: The 2024 budget included \$51,000 of "remaining proposed revenue" that was unprogrammed and was intended to be used for items such as "site readiness, implementation of community vision, etc." Of these funds:

- \$39,900 has been designated to fund the Alternative Urban Area Review (EDA Resolution 2024-01)
- \$6,000 is proposed to fund a structural analysis of buildings located on PID 140310022012

BUDGET IMPACT:

Not applicable

ACTION REQUESTED:

Accept monthly Financial Report.

ATTACHMENTS:

[MAY FINANCIAL REPORT - 2024 YTD](#)

MAY 2024 and YTD BUDGET

Business Unit	Object Account	Account Description	Cumulative 5 Actual 2024	Cumulative 5 Budget 2024
2000 - HRA/ECONOMIC DEVELOP	6280	BOOKS & SUBSCRIPTIONS	0.00	150.00
2000 - HRA/ECONOMIC DEVELOP	6401	PROFESSIONAL SERVICES	37,500.00	5,000.00
2000 - HRA/ECONOMIC DEVELOP	6403	LEGAL	728.50	3,000.00
2000 - HRA/ECONOMIC DEVELOP	6426	INSURANCE	125.56	600.00
2000 - HRA/ECONOMIC DEVELOP	6445	POSTAGE/SHIPPING FEES	0.00	1,000.00
2000 - HRA/ECONOMIC DEVELOP	6450	OUTSIDE PRINTING	241.77	2,500.00
2000 - HRA/ECONOMIC DEVELOP	6455	LEGAL NOTICES	0.00	500.00
2000 - HRA/ECONOMIC DEVELOP	6460	MEMBER DUES & LICENSURE	8,260.05	3,500.00
2000 - HRA/ECONOMIC DEVELOP	6470	TRAINING & SUBSISTANCE	856.43	5,000.00
2000 - HRA/ECONOMIC DEVELOP	6485	MILEAGE REIMBURSEMENT	489.84	3,000.00
2000 - HRA/ECONOMIC DEVELOP	6505	EQUIPMENT REPAIR/MAINTENANCE	0.00	1,000.00
2000 - HRA/ECONOMIC DEVELOP	6550	DEVELOPER PAYMENTS	0.00	50,000.00
2000 - HRA/ECONOMIC DEVELOP	6570	PROGRAMMING EXPENSE	0.00	10,000.00
2000 - HRA/ECONOMIC DEVELOP	7420	OTHER	12,950.00	64,750.00
Total 2000 - HRA/ECONOMIC DEVELOPMENT			0.00	-51,000.00
			0.00	-51,000.00
			0.00	-51,000.00

SUMMARY OF EXPENDITURES

**Includes: My Town (25,000) and SLP (12,500) - both were originally included in "other" Primarily RIG and AUAR related*

Materials for SLP and Conferences

Includes: Chamber (2,500), CVN (4,500 originally included in "other"), EDAM (545), MMP (700) Includes: EDAM Winter (2), DRC (2), MMP Qrt 1

***Includes: MREJ Marketing (10,000), MREJ Sponsorship (2,950)*

*Prof Services	**Other
\$ 5,000.00	
<i>Avail for financial consult., etc.</i>	
\$ 64,750.00	\$ 25,000.00
\$ 9,800.00	\$ 12,500.00
	\$ 4,500.00
	\$ 10,000.00
	\$ 2,950.00
	\$ 54,950.00
	\$ 9,800.00
	Available for SLP travel and other strategic marketing

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community Dev Director
Department: EDA
Subject: Quarterly Report - Open to Business (Q1 2024)
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

At the March EDA meeting, the EDA committed to their continued participation in a Joint Powers Agreement with the Dakota County Community Development Agency (CDA) related to the Open to Business Program - provided by the Metropolitan Consortium of Community Developers. The Open to Business Program provides technical assistance and access to capital to small businesses and potential entrepreneurs in Dakota County. As required, the Dakota County Open to Business, Business Advisor provides a quarterly report outlining clients served and case studies. Attached is the Q1 2024 Report.

DISCUSSION:

Open to Business provides technical assistance and access to capital to small business and potential entrepreneurs in Dakota County. Through the joint powers agreement, communities within the county agree to leverage their individual funds for this important service. In addition to the technical assistance and access to capital that is provided directly to the small businesses and entrepreneurs, the designated Business Advisor, Natalie Mouilso, meets monthly with City Staff and will also be participating in the summer Business Resource Fair.

The summary of Q1 2024 activity is attached.

BUDGET IMPACT:

\$5,500 annually *specifically included in the EDA budget*

ACTION REQUESTED:

No action requested. Report is provided for informational purposes only.

ATTACHMENTS:

[Q1 2024 - Dakota County OTB Narrative Report](#)



Business Advisor for Dakota County: Natalie Mouilso, nmouilso@mccdmn.org, 952-451-6390
 First Quarter – 3/31/2024

Clients Served YTD

Client Inquiry	01
Existing - Challenged	08
Existing -Opportunity	22
Pre-start planning	29
Start-up	16
Total	76

Business Owner Demographics YTD

	# of Clients
Low-Income Owned	40 (52%)
BIPOC or Immigrant Owned	43 (57%)
Woman Owned	37 (48%)

Financing & Access to Capital YTD

Loans & Grants		
Approved	(YRLY Total)	\$ 42,240.00
Equity	(YRLY Total)	\$ 460,000.00
<u>Facilitated</u>	<u>(YRLY Total)</u>	<u>\$ 18,000.00</u>
Total Investment		\$ 520,240.00

Program Hours

	TA	Program HRS
1 st QTR	348	251
Total	348	251

TA: Client Meetings, Providing Resources, Client Calls, Client Deliverables, Loan Packaging

Program HRS: City Initiatives, Program Outreach, Public Events, City Meetings, Research, Data/Admin, General Inquiries

Industry Segment YTD

Construction / Real Estate	0
Food	15
Health/Fitness	12
Manufacturing	2
Consulting	5
Retail	10
Service	16
Other/Undecided	9
Total	76

Referral Source YTD

Bank Referral	13
Entrepreneur	5
Friends and Family	7
Municipality	14
MCCD Partner	8
Other	8
Web	21
Total	76

City YTD

	<u>Business</u>	<u>Resident</u>
Apple Valley	13	07
Burnsville	15	07
Eagan	10	07
Farmington	02	05
Hastings	07	03
Inver Grove Heights	03	03
Lakeville	08	11
Mendota Heights	01	01
Rosemount	02	02
South St. Paul	02	02
West St. Paul	06	03
Other Dakota Co.	00	00
Other/ No Data	08	26

“The Open to Business program has been instrumental in helping me create my website, and I couldn't be more grateful for their expertise and dedication. Their commitment to empowering individuals and organizations through their services is truly commendable. From the initial brainstorming sessions to the final touches, the Open to Business program provided invaluable guidance and support every step of the way. Their team's professionalism and passion for their work were evident throughout the entire process. Thanks to the Open to Business program's assistance, my website now serves as a vital platform for sharing information, connecting with my audience, and advancing my mission. Their contribution has not only enhanced my online presence but has also helped me further my goals and objectives. Thank you, Open to Business for your unwavering support and dedication to helping individuals like me succeed in the digital world.” Lakeville Business Owner, OTB Client

Direct Financing & Access to Capital

Business Type: fast casual pizza franchise

Business City: Apple Valley

Residence City: Lakeville

Referred by: Bank Partner

MCCD Financing: \$42,000

Owner Equity: \$460,000

Other Financing: \$18,000 MN DEED Small Business Loan Participation Program

Overview: MCCD began working with this recent startup in Fall, 2023. The business sought working capital to implement a marketing plan to build local awareness and grow sales. Through MCCD, the business spent four months working closely with a bookkeeping/accounting advisor to gain skills and expertise in financial management of the business. They wrote a marketing plan and met with independent consultants to get additional insight into their business operations. The business was approved for the MCCD loan in early April with 30% participation from [MN DEED SBLPP](#). The business is owned by four immigrants and is expected to employ a total of 7 after the market plan is implemented.

Credit Builder Loans

In collaboration with nonprofit partners who provide credit building & financial awareness counseling, MCCD provides \$240 Credit Builder Loans (CBLs) to qualified applicants seeking to improve their personal credit. Credit Builder applicants complete financial training through MCCD’s partners and are then referred to MCCD for a CBL. MCCD generates and services the CBLs in-house.

2024 Credit Builder Loans YTD	
Resident City	Loan Amount
Inver Grove Heights	\$240
TOTAL	\$240

Highlights, Networking, & Outreach

Staffing Updates

- MCCD welcomes Maria Thor as our newest member of the Business Advisor team. Maria comes to MCCD with vast experience in owning, operating, and supporting small businesses in the Twin Cities region. She owned a family childcare business for more than 10 years before moving into the non-profit world and was most recently a Capacity Coach for childcare businesses at Think Small.
- MCCD welcomes Eva Song Margolis as our Director of Advancement. Using her expertise in community wealth building she will lead an integrated strategic vision that expands awareness of our impact, priorities, and engage diverse stakeholders. Eva’s commitment to social, racial, and economic justice shines through her work and board membership with Hmong American Farmers Association.

Funding & Policy Updates

- March 14 – MCCD was named an approved lender for MN DEED’s new Expanding Opportunity Loan Fund with a \$600,000 lending allotment, the maximum loan size. MCCD borrows these funds from DEED at 0.5% to relend to small businesses. Securing new sources of low-cost loan funds is the key to keeping our interest rates low for small business borrowers.

Programming, Partnerships, & Trainings

- January 19 – Open to Business hosted our first in person Small Business Planning Workshop of 2024 at the MCCD Office. The training was open entrepreneurs throughout the region and provided attendees with the tools and resources needed to write a business plan.
- February 2 – Our team of advisors learned about the New Markets Tax Credits program through our partners at Sunrise Banks. We look forward to leveraging this knowledge to help our clients access the program.
- March 19 – A local attorney provided guidance to our team of advisors on the new [Corporate Transparency Act](#) and its requirements; with this information we can help our clients understand the registration and compliance process.
- March 21 – Building on our Racial Equity trainings from 2023, MCCD kicked off a new training series focused on Operationalizing Equity within our work. This 20-hour series will occur over the next 6 months.
- April 12 – In partnership with the UMN Law School, MCCD hosted a Small Business Law Q&A webinar where legal experts provide transaction-based legal assistance to small businesses on a variety of subject matters including entity selection, franchising, formation, and commercial lease review.
- April 19 – MCCD hosts our second business planning workshop of the year, Blueprinting Success: Financial Foundations for Startup Businesses. This workshop is designed to equip early-stage entrepreneurs and startups with essential financial skills and knowledge to build a solid foundation for success. [More details here.](#)

Advertising & Outreach

- In the last quarter, banker and lender outreach occurred specifically with Chase Bank, Merchants Bank, Minnesota Business Finance Corporation, Minnwest Bank, Royal Credit Union, Sunrise Banks New Markets Tax Credits team, Think Bank, and US Bank.
- In addition to lending outreach, written or in-person presentations were made and/or networking efforts were made including City of Mendota Heights check in on Jan 16, Apple Valley EDA presentation Jan 25, UMN Law School partnership meeting Feb 2, City of Hastings HEDRA presentation on Feb 8, City of Lakeville presentation Feb 27, Burnsville EDA presentation on March 13, recurring check ins with City of Farmington and Dakota County CDA.
- The Open to Business advertisement library is up to date with the most recent ads and flyers for OTB. New ads will be created and updated periodically so keep checking back. The library was created to help streamline how we share ads with partners and to give partners direct access to choose ads that meet their needs. Access the Ad Library [here.](#)

Quarterly Highlight

Asian Mart LLC
14600 S 10th Avenue South in Burnsville & 464 Concord Street South in South St. Paul

April 1, 2024 - Asian Mart LLC broke ground on their new location in South Saint Paul. The business owner was joined by his family and friends, along with City staff and officials, the SSP Mayor, Dakota County CDA staff, OTB staff, and Cortrust Bank to kick off this exciting project. When completed, the project will provide ample warehouse space and a deli, grocery and bakery areas, food counters and seating for up to 15 guests. The business employs 3 and the expansion aims to add 3 to 6 new jobs.



ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community Dev Director
Department: EDA
Subject: Choose Vice-Chairperson for the EDA for Remainder of 2024
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

With the recent resignation of Katie Porter, the EDA is asked to select a new 2024 Vice-Chairperson.

DISCUSSION:

At the March 2024 EDA meeting, the officers were selected to serve as Chairperson and Vice-Chairperson. Katie Porter was selected as Vice-Chairperson but has resigned her City Council position leaving this position vacant. Per the EDA By-Laws:

Subd. 2 - At the February Authority meeting or the next regular meeting of the EDA each calendar year, the Authority shall (1) acknowledge City Council's designation of the official newspaper; (2) establish the meeting schedule for the year; (3) choose a Chairperson and a Vice-Chairperson, who shall perform the duties of the Chairperson during the Chairpersons disability or absence, and in case of a vacancy in the office of Chairperson, and until a successor has been appointed and qualifies to fulfill the duties of Chairperson, and; (4) staff will serve as the Secretary/Treasurer.

The EDA is asked to select a successor to fill the Vice-Chairperson role for the remainder of the year.

BUDGET IMPACT:

Not applicable

ACTION REQUESTED:

Select a Vice-Chairperson.

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Stephanie Aman, Economic Development Coordinator
Department: EDA
Subject: Small Business Resource Fair
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

As Staff form relationships and continue to better understand the Farmington business community, we have participated in many networking events that help guide the next steps in ensuring our local business community needs are being met. Staff introduced the idea of a small business resource fair at one such event and received positive feedback.

DISCUSSION:

The City of Farmington Community and Economic Development Living Workplan Document was presented at the January 2024 EDA meeting and was well received. Within that document, staff indicated that they would host/hold a 'lunch and learn' for businesses in July. As we met with businesses, we realized that the value in having a small business resource fair in July could be a great fit. After consulting with our partners at Open to Business/MCCD, we have now put together a framework for this event.

The agenda for the event follows:

Date: Tuesday, July 16

Time: 8-10:30a

- 7:30am-8:00am: Vendors set up in lobby
- 8:00am-8:30am: Participants check in, enjoy some coffee and pastries and network
- 8:30am-9:30am: Vendors have an opportunity to explain to the participants what they can and do offer to the small businesses
- 9:30am-10:30am: Tabling in the lobby and connections. We will also offer space if vendors and participants wish to meet onsite in a private space.

The target audience for this event will be businesses with less than 20 employees. We will start marketing the resource fair on social media outlets the first week in June. Invitations will be mailed to local businesses in mid-June with follow ups via email the week of July 8.

Based on feedback from small businesses and our business consultant, staff have been very thoughtful in who is being invited to table at the event. Vendors range from IT services to accounting, utility providers to broadband and many in between.

As of this packet submission, fourteen vendors have been invited; three of those have confirmed.

BUDGET IMPACT:

Approximately \$200 for materials and breakfast.

ACTION REQUESTED:

No action needed.

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Stephanie Aman, Economic Development Coordinator
Department: EDA
Subject: 2023 MicroGrant Awards and Updates
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

In January 2023, the Economic Development Authority asked Staff to develop a program that would allow the City to meet business where they were at and help them in whatever their next objective was in their business. A MicroGrant program would provide support to grow and expand small businesses located in Farmington.

The intended purpose of a MicroGrant program would be to support and encourage business development (a strategic priority of the City Council), by fueling the entrepreneurial and small business energy that exists in the community with a small incentive program that would meet businesses where they are at.

The MicroGrant program was launched on June 1, 2023, and had 4 applicants and 4 funded projects.

DISCUSSION:

The MicroGrant program fueled conversations from small business owners. For those that chose to apply, the diversity and creativity in utilizing the funding met the objectives of the EDA - to meet companies where they were at. In addition to the four that applied and were awarded funds, several others had indicated a desire to apply, but did not follow through with the application, despite Staff following up multiple times.

The following four projects were funded by the EDA MicroGrant program. Three projects have provided pictures and proof of paid invoices; one is finishing a marketing campaign to fully utilize the funding and has until August to do so.

Fissan Training Kennels

\$2500 grant approved at the June 26, 2023 EDA meeting.

This matching grant funding allowed Fissan Training Kennels to complete a sign upgrade that they had been wanting to do. The new signage is clean and bright and adds a great deal to the facade of their building. Fissan Training Kennels has met all obligations to provide pictures and invoices with payment information and has fulfilled the terms of the grant agreement.



Heikkila Studios

\$2500 grant approved at the July 17, 2023 EDA meeting

This matching grant funding was used to install a new concrete patio to the west of the building at 349 3rd Street. With this improvement, Heikkila Studios is better able to utilize this space as it provides a better aesthetic for photography. Heikkila Studios has provided pictures and closed out invoices and has fulfilled the terms of the grant agreement.



The Pam McCarthy Agency, Inc.

\$2500 grant approved at the August 21, 2023 EDA meeting

This matching grant funding is being utilized for mass marketing campaigns to help the Pam McCarthy Agency reach more people and grow business. The agency has plans to complete phased mailing campaigns and has until August 21, 2024 to utilize the funds.

Grant Heating and Air

\$2500 grant approved at the September 18, 2023 EDA meeting

This matching grant funding was used to complete a needed painting project on the exterior of the business, as well as spruce up the outside which makes for a more welcoming environment for customers to come to, along with being a good neighbor. Grant Heating and Air had recently purchased the building and were grateful for matching funding to help ease the burden of this cost on a small business. Grant Heating and Air has provided pictures and invoices with payment information and has fulfilled the terms of the grant agreement.



For the companies that chose to apply, this grant source had significant impact that led to completion of projects that likely would not have been completed this past year. The beautification of several of these areas has a positive impact on the surrounding community and neighbors.

BUDGET IMPACT:

No additional impact. A total of \$10,000 was awarded to four businesses in 2023.

ACTION REQUESTED:

No action needed.

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community Dev Director
Department: EDA
Subject: 2025 Budget - Preliminary Discussion
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

The 2025 budget process is underway. To start the discussions at the EDA level, Staff will provide an overview of 2024 YTD accomplishments, an update on the 2024 approved EDA Work Plan, and a summary of approved 2024 budget. This will guide future discussions regarding a proposed 2025 EDA levy amount and budget modifications - to ensure that the EDA activities are impactful, bold, and continue to advance the community vision and City Council priorities.

DISCUSSION:

2024

This year the EDA funding included dedicated levy dollars to support economic development initiatives in the amount of \$150,000. Attached is the 2024 EDA Budget and Work Plan - illustrating how the additional funding was allocated and applied towards economic development initiatives, as well as a calendar that showed the cadence associated with the various activities.

Work Plan - Accomplishments to date include:

- The Site Location Partnership (SLP), Minnesota Real Estate Journal (MREJ), My Town, and Community Venture Network contracts have all been executed and identified efforts are underway.
 - Staff is actively participating at MREJ events serving as speakers, moderating panels, and visibly marketing the "Unexpectedly Bold" brand.
 - Staff attended both the January and May Community Venture Network sessions - and is conducting follow up visits and conversations with business prospects.
 - Two SLP trade shows have occurred. Farmington specific information has been provided for the shows, Staff is receiving reports from each trade show - including business contact lists, and business interviews are being targeted for October in Chicago.
- On average, Staff is meeting with 8 different builders/developers per month to discuss Farmington's vision and story and explore development opportunities and ideas. Many of these leads come from the MREJ events. There is also specific follow-up associated with each meeting.
- Staff is attending Dakota County Regional Chamber coffees, policy forums, and events - including hosting a Farmington Coffee Break on Thursday, May 9th.

2024 Budget Status - Overall the budget has been supporting the work plan.

- \$51,000 of the expected revenues were "unprogrammed" with the note that the uses were TBD - for site readiness, potential seed money for a future revolving loan program, land activity, etc. Of those dollars:
 - The EDA dedicated transferring \$39,900 to the General Fund to offset consultant costs associated with administering multiple Alternative Urban Areawide Reviews (AUAR).
 - The EDA may consider using a portion of the remaining funds for additional "site readiness" activities
- \$50,000 was identified in the budget for Developer Payments (aka incentive programs). Specific programs to utilize these funds are yet to be identified.

2025

While it is very early in the calendar/budget year, there are some budget predictions that can start to inform the budgetary needs for 2025 and potential changes to the EDA levy request. For discussion purposes:

- Ongoing Operational Expenses - these will remain fairly consistent with the need for some increase in Professional Services and Legal based on the complexity of programs and development opportunities.
- Economic Development Programming - Additional funds should be considered for activities associated with site readiness, implementation of the community vision, and land activity.
- Levy Increase - the initial EDA levy of \$150,000 provided much needed dedicated funds to deploy an economic development work plan and build upon the momentum and groundwork laid in 2023. At a minimum a continuation of the EDA levy at the same amount should continue, but consideration should also be given to increasing the levy. State statutes limit the levy amount to 0.01813% of the city taxable market value - which would generate an amount greater than \$500,000. Staff would suggest discussing an increase to the levy of 25-percent, to a total of \$187,500.

BUDGET IMPACT:

Not applicable.

ACTION REQUESTED:

No formal action is requested. The EDA is asked to discuss the existing budget, existing work plan, and provide direction on future funding levels.

ATTACHMENTS:

[2024 EDA Budget](#)

[2024 EDA Work Plan and Calendar](#)

REVENUE TO ECONOMIC DEVELOPMENT ACTIVITIES

HRA/Economic Development	4011 - Current Property Tax		150,000	EDA Levy - <i>first year of dedicated levy</i>
HRA/Economic Development	4955 - Interest on Investments	1,600	1,000	
HRA/Economic Development	5205 - Operating Transfers	50,000	50,000	
Total Revenue			201,000	

EXPENSES/ECONOMIC DEVELOPMENT ACTIVITIES & WORK PLAN ITEMS

ONGOING OPERATIONAL EXPENSES				
HRA/Economic Development	6280 - Books & Subscriptions		150	Various business publications that help Staff keep a pulse on business activities throughout the metro area (Bus. Journal, TC Business, etc.)
HRA/Economic Development	6401 - Professional Services	1,000	5,000	Financial consultant (non-TIF), etc. - to work with Staff as needed on program development, proposal review, incentive packages
HRA/Economic Development	6403 - Legal	1,000	3,000	City Attorney - specific EDA legal review (program guidelines, loan doc, etc.)
HRA/Economic Development	6426 - Insurance	560	600	
HRA/Economic Development	6445 - Postage/Shipping Fees		1,000	Program mailings, direct marketing, etc.
HRA/Economic Development	6450 - Outside Printing	250	2,500	SWAG for events, program postcards, etc.
HRA/Economic Development	6455 - Legal Notices	100	500	
HRA/Economic Development	6460 - Member Dues & Licensure	2,500	3,500	Specific economic development organization memberships - (2) EDAM, CORENet, MMP, other
HRA/Economic Development	6470 - Training & Subsistance	3,500	5,000	Attendance at specific economic development trainings - (2) EDAM summer/winter, CORENet, etc.
HRA/Economic Development	6485 - Mileage Reimbursement	1,000	3,000	Trends + 2 people doing ED
HRA/Economic Development	6505 - Equipment Repair/Maintenance	1,600	1,000	Annual software maintenance costs - InDesign, calendarly, other
HRA/Economic Development	6570 - Programming Expense	10,000	10,000	Payments to outside organizations for programming - Open to Business, etc.

PROPOSED ECONOMIC DEVELOPMENT PROGRAMMING

HRA/Economic Development	6550 - Development Payments	60,000	50,000	TO BE DETERMINED - 2 rounds of MicroGrant or implementation of new/different incentive program
HRA/Economic Development	7420 - Other	0	64,750	ENHANCED ECONOMIC DEVELOPMENT MARKETING & PROGRAMMING - CVN Membership (\$4,500), MREJ (\$10,000), Bloomberg matching grant/placemaking (\$25,000), Vikings ad or similar strategic print marketing (\$8,000), Site Location Partnership SLP (\$12,500 + travel), MyTown docuseries project (\$25,000)
Total Proposed Expenses			150,000	
			51,000	Remaining Proposed Revenue - TBD - site readiness, revolving loan program, implementation of community vision, land activity, other

City of Farmington
Community and Economic Development
Living Workplan Document



Boldly
Defining
Our Future

2024 Initiatives &

Calendar of Planned and Tentative Events

Ongoing Operations:

Ongoing operations describe the day-to-day activities and functions conducted by Staff under the “economic development” umbrella. These activities ensure that Staff are engaged with the local business community, are growing and maintaining relationships with economic development champions and partners, are representing Farmington outside of the community to a broader audience and are building tools and resources necessary to support the economic development vision and goals.

- Prepare responses to Request for Information (RFIs) related to proposed projects and site searches.
- Organize visits as part of the site selection process.
- Conduct business visits to current businesses to better understand industry composition, business needs, and growth plans.
- Attend Farmington Business networking events.
- Attend relevant Chamber of Commerce events.
- Meet with landowners to better understand future growth opportunities.
- Maintain database of available property (land and buildings.)
- Coordinate and participate in ribbon cuttings/ground breakings to celebrate new business openings and/or business expansions.
- Serve on statewide committees and hold leadership positions in organizations dedicated to economic development.
- Stay abreast of regional, state, and federal programs (grants, loans, etc.) to support businesses and economic development initiatives and efforts.

Enhanced Marketing, Business Recruitment, and Promotions:

Staff has worked to identify partnerships that leverage access and connection to site consultants, businesses/industries, and the brokerage community. These are the audiences that need to know, understand, and believe in what Farmington has to offer – so they can share Farmington opportunities with their clients or leadership when making location and business decisions.

SLP: Site Location Partnership



SLP is a site consulting firm. Their core business is location advisory work for corporate clients, and they leverage those relationships and capabilities as a site selection firm to help economic development organizations with targeted industry recruitment and lead generation. The Farmington EDA partnership with SLP gains the City of Farmington access to:

- Targeted Industry Prospect Development (4 industries)
- Site Consultant Appointment Setting (6 meetings)
- Trade Show Representation (6 shows)
- Site Selector Networking Forum Access (6 shows in conjunction with trade shows)
- Web Promotion

MREJ: Minnesota Real Estate Journal



MREJ is an industry leader in the commercial real estate market for news, information, and networking. For this sponsorship, the City of Farmington has access to many of the real estate journal events held throughout the year, including a minimum of 4 guaranteed speaking roles. These events are attended by brokers, developers, real estate agents, and more. Serving as experts in the field on the panels gives positive exposure to the City.

Through this partnership, Staff has secured meetings with brokers, developers, business representatives, financial institutions. From these interactions, one developer has executed a purchase agreement on property in Farmington and is preparing to begin the entitlement process associated with delivering a project.

CVN: Community Venture Network



CVN is part of The Brookshire Company – and exists “to connect communities with businesses searching for opportunities to expand and grow their operations.” They have a track record for bringing economic development professionals viable opportunities and a reputation for helping companies discover communities. For many years, staff have worked with CVN and found value in the services it provides. Included in the membership is:

- Invitation to attend CVN sessions hosted three times per year
- Introduction to a minimum of 24 business prospects seeking to grow or expand.

This long-standing relationship also provided a connection and introduction to the “My Town” project, that will be hosted and produced by Emmy-award winning journalist, Cory Hepola, who is now an employee of The Brookshire Company.

Unexpectedly Bold

In addition to the partnerships that staff have identified and continue to nurture, the marketing campaign, “Unexpectedly Bold” has gained quite a bit of attention. Staff continue to build out the suite of materials that are utilized at events and personalize the materials to each event we attend.

Let's Connect!

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FarmingtonMN.gov

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Why Farmington?

- 35 minutes to MSP International airport
- Short commute from Interstate 35 (I-35)
- Suburban location with metro sophistication
- Land and infrastructure to support projects
- Skilled team that are able to execute
- Forward thinking leadership

CITY OF
FARMINGTON

UNEXPECTEDLY BOLD

UNEXPECTEDLY BOLD

JOIN a COMMUNITY WHERE BEING **BOLD** is CELEBRATED

— 30 MILES to **DOWNTOWN MINNEAPOLIS** and **ST. PAUL**

— 20 MINUTES to **MSP INTERNATIONAL AIRPORT**

CITY OF
FARMINGTON

FarmingtonMN.gov (651) 280-6800

Program Development

The EDA has traditionally provided programs (grants) to support small businesses. Ideally these programs should meet businesses where they are at to encourage growth and enhancements to the city's diverse and valued small business foundation. In addition to providing local programs, it is important to leverage regional, state, and federal programs as well. As Farmington continues to be a desirable location for business growth and attraction, growing its exposure to new business development opportunities – it is also necessary to evaluate how the EDA can use its funding in an effective way. The following activities will be undertaken to ensure that Farmington has an effective and useful tool kit to support and attract businesses:

- Review past year(s) grant activity and potentially propose program modifications.
- Meet with business community to understand their needs in order to develop tools that can support local business community.
- Research programs offered by other communities to understand applicability in Farmington.

WORKING CALENDAR OF EVENTS, ENHANCED MARKETING OPPORTUNITIES, & ECONOMIC DEVELOPMENT ACTIVITIES

January	July
<ul style="list-style-type: none"> • MREJ Apartment Summit (over 750 participants in 2023) • CVN Networking/Discovery event • EDAM Winter Conference • MN Marketing Partnership Meeting • My Town Farmington-centric promotions begin • Business visits 	<ul style="list-style-type: none"> • Lunch and Learn
February	August
<ul style="list-style-type: none"> • SLP – IME West Trade Show – Anaheim 	<ul style="list-style-type: none"> • MREJ Summer Bags Tournament • Chamber – State of the County
March	September
<ul style="list-style-type: none"> • MREJ – Land Development Summit – <i>speaker</i> • Chamber – Meet the Chamber event 	<ul style="list-style-type: none"> • CVN Discovery/Networking Event • SLP – IMTS Trade Show Chicago • MN Marketing Partnership – Chicago Market Visit
April	October
<ul style="list-style-type: none"> • Chamber – Advocacy and Issues Forum - <i>speaker</i> • MREJ – Women in Real Estate Summit - <i>speaker</i> • MREJ – Data Center Real Estate Summit • MREJ – Commercial Real Estate Awards 	<ul style="list-style-type: none"> • My Town - Fall release party • SLP – Fabtech Trade Show – Orlando
May	November
<ul style="list-style-type: none"> • City of Farmington hosted Chamber Coffee Break • MREJ – Retail and Restaurant Summit • CVN Networking/Discovery Event – May 17 • MREJ Southeast Metro Development Summit – May 22 	<ul style="list-style-type: none"> • MREJ – Industrial Real Estate Summit – <i>speaker</i> • Chamber Business Excellence Awards
June	December
<ul style="list-style-type: none"> • MREJ – Mid Year Apartment Summit • MREJ – Mid Year Commercial Real Estate Forecast • My Town filming • MN Marketing Partnership Meeting • EDAM Summer Conference • Chamber – Legislative Wrap-up Session 	<ul style="list-style-type: none"> • Business Holiday Gathering • Chamber – Elections Wrap and Implications for Business

Additionally, staff schedule and conduct monthly business (BRE) meetings and participate in Farmington Business monthly morning coffees.

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community Dev Director
Department: EDA
Subject: Director's Report
Meeting: Economic Development Authority - May 20 2024

INTRODUCTION:

Attached please find a summary of recent economic development activities.

DISCUSSION:

Attached please find a summary of recent economic development activities. Staff will be available to answer questions.

BUDGET IMPACT:

Not applicable

ACTION REQUESTED:

No action requested. This item is information and is provided to communicate how the EDA time and money resources are allocated and to track and measure the impact of initiatives.

ATTACHMENTS:

[05-2024 meeting with attachment](#)

<p>Reporting Period: May 2024</p>	<p>DIRECTOR'S REPORT – providing project highlights and a summary of economic development activity.</p>
<p>Projects/Initiatives</p>	<ul style="list-style-type: none"> • Ebert Apartments Construction is progressing nicely. The project is still on-track for a final Certificate of Occupancy being issued in mid- to late-September, with a Fall 2024 opening. <p>The Dakota County RIG has been completed and closed out. The project was awarded \$250,000 to assist with the demolition, clean-up, and site preparation.</p> <ul style="list-style-type: none"> • Community Vision/Comprehensive Plan Update - HKGi A joint Planning Commission/City County work session was held in March to review the draft future land use plan. Based on the input received – Staff have been working with HKGi to refine the future land use plan, focusing on preserving corridors for commercial development and overlaying the county's transportation plan to ensure key intersections are identified. A follow-up joint work session is being scheduled in June to discuss the revised future land use plan. • Small Business Resource Event – planning is underway for a July event. • MREJ Staff moderated a panel at the 20th Annual Land Development Summit, served on a panel at the Women in Real Estate Summit, and is moderating a panel at the SE Metro Development Summit later this month. <p>The City of Farmington was a finalist for the 2024 MREJ Awards, City/County of the Year, and Deanna Kuennen was named the 2024 MREJ Economic Developer of the Year at the April 18th ceremony.</p> <ul style="list-style-type: none"> • My Town – filming was completed in early May. The docuseries will air later this year, with a late November slot for the Farmington episode. • BRE – Staff has prepared a BRE plan for the remainder of the year (attached). Staff is open to feedback on the identified schedule.
<p>Prospects</p>	<ul style="list-style-type: none"> • Staff worked on more than 40 different proposed/potential projects in 2023. These have varied in size, scale, industry, use, and location. The prospects are all at different stages, and while some have included only providing written responses to information requests, others have included site visits and numerous meetings. Staff continues to engage with many different business prospects, developers, and project teams – with the goal of converting the prospecting into actual projects.

	<ul style="list-style-type: none"> • R&L Carriers – this local business has secured additional property in the industrial park to accommodate a nearly 100,000 SF expansion. The project will be submitting Planning & Zoning applications soon, with an anticipated construction start of late 2024. This logistics company has been in Farmington for 20 years and is growing nationwide. The project will include job creation of approximately 25 new positions in year one, adding by 11-12% to their workforce each year thereafter. • Yellowtree Apartments – This project has received all Planning & Zoning approvals, the preliminary/final plat is slated for approval by City Council in May, and the tax abatement request has been analyzed with a May 20th public hearing scheduled. The \$40 million + project proposes 168 units of market rate apartments, underground parking, site amenities, and a connection to downtown. • Staff continues to work on various potential projects and have conducted numerous meetings with developers and site selectors already in 2024 – on average meeting with 8 different groups each month. Staff uses the developer/site selector meetings to share the Farmington story, discuss opportunities, and identify partners who are in alignment with the City's vision and can assist the City in bringing projects forward.
Other	<ul style="list-style-type: none"> • Staff have been made aware of different potential land sales in the community. There may be a role for the EDA to evaluate site readiness and community benefit for different properties. • Staff have been invited to attend a Minnesota Marketing Partnership Market visit to Chicago in August. • Staff continues to stay connected and engaged with the Minnesota Trade Office, DEED, Greater MSP, and other organizations.

2024 BUSINESS RETENTION AND EXPANSION (BRE) PLAN

A Business Retention and Expansion (BRE) Plan is used in economic development to ensure current businesses that plan and desire to stay in Farmington have the opportunity to communicate, with staff, current wins and concerns as well as future expansion desires. Getting out and having conversations with current businesses is important to ensure the vibrancy of the community is not lost and that staff stay aware of opportunities to help businesses stay and grow here. This creates a positive local connection and provides a resource to businesses with the hope that the companies see the city as a partner. BRE is truly the customer service side of economic development – existing businesses are the heart of the local economy, and ensuring an open line of communication exists keeps them invested in the community. BRE only works if the visits are genuine.

Knowing that Farmington has limited land available for growth, we need to ensure our current businesses have what they need for their current business modeling and understand any growth plans to identify future land opportunities going forward.

Farmington BRE Plan for 2024

Staff understands that in 2021 a BRE initiative was launched. There is value in the information obtained at that time, and that information will be referenced prior to any visits. This approach moves away from formal surveys and focuses on authentic conversations. This approach is also meant to be nimble, and therefore is subject to change as the needs of businesses and staff arise – and based on feedback and information.

Summer, 2024 – Industrial Park Businesses

Today the industrial park is home to a variety of businesses, who are continuing to make investments and grow in place. However, the industrial park is nearing capacity with limited ability to expand. Understanding the growth projections for these valued industries will help inform future land use decisions. This information is timely especially as the future land use and comprehensive plan updates are underway. Our goal is to ensure that our industries can stay in Farmington.

Fall, 2024 – Downtown and Small Businesses

Change is happening downtown. With the Emery opening in the fall, it's imperative that we understand how the downtown businesses are feeling and what they are seeing – to ensure that their vibrancy remains. Small businesses are the heart of the community, they already have a robust networking group, and meeting with our downtown and small businesses make us approachable and accessible to them. Meeting with them allows staff to understand if there is desire for expansion or a different location for the business, and what they see as the successes and barriers of the community. Information obtained through these meetings will help inform future programming. With the small business resource fair in July, some of these visits may be set up and executed before fall.

Fall/Winter 2024/2025 – Mid-sized Businesses

The fall and winter months will focus on the mid-sized businesses that are located outside of our industrial park. These mid-sized businesses are the final piece that rounds out the

"Farmington puzzle". They provide good jobs, a consistent tax base, and are long standing community businesses and/or businesses that are ready for expansion.

BRE Plans that are authentic lead to program development that benefits business. By listening and understanding, staff can bring forward relevant suggestions to the EDA for things such as loan and grant programs. Additionally, these visits can shape ideas on who else to bring to the conversation for our businesses. Examples of this work would be to bring in a partner like DCTC to help create a job training program specific to the business, or it might be simply making a connection to someone. Open to Business is a connection that we often make to local businesses that are seeking help for financing or overall business planning. There are so many resources that we can connect businesses to, and these BRE visits help staff better understand their needs. And sometimes, these simple conversations lead down unexpected paths to development!

As is often said, economic development is a puzzle and the pieces all fit together – this BRE plan is part of that puzzle! Staff listening, understanding, and knowing the plans of businesses help continue to put the economic development puzzle together.