

ECONOMIC DEVELOPMENT AUTHORITY REGULAR MEETING AGENDA

Monday, July 15, 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 Regular Economic Development Authority Meeting dated May 20, 2024

3 - 7

Approve the minutes of the May 20, 2024 Regular Economic Development Authority meeting.

[Agenda Item: Minutes of the Regular Economic Development Authority Meeting dated May 20, 2024 - Pdf](#)

6.2 Monthly Financial Report

8 - 9

Accept monthly Financial Report for July 2024.

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

7. PUBLIC HEARINGS

8. DIRECTOR'S REPORT

8.1 Director's Report

10 - 14

No action requested. This item is informational 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](#)

9. DISCUSSION ITEMS

9.1 Small Business Resource Fair Update 15 - 19

No action needed. Please feel free to attend the Small Resource Fair if you are available.

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

9.2 2025 Preliminary Budget, Work Plan, and EDA Levy Discussion 20 - 31

No formal action is requested. The EDA is asked to discuss the proposed budget and provide direction on the preliminary 2025 EDA levy request.

[Agenda Item: 2025 Preliminary Budget, Work Plan, and EDA Levy Discussion - Pdf](#)

9.3 Closed Session to Consider Whether to Develop or Consider Offers or Counteroffers for the Sale or Purchase of the Real Property in the City of Farmington, Dakota County, Minnesota (PID: 14-03100-22-012), Pursuant to Minnesota Statutes Section 13D.05, Subdivision 3(c)(3) 32

Motion to close the Economic Development Authority meeting pursuant to Minnesota Statutes section 13D.05, subdivision 3(c)(3), to consider whether to develop or consider offers or counteroffers for the sale or purchase of the real property in the city of Farmington, Dakota County, Minnesota (PID: 14-03100-22-012).

[Agenda Item: Closed Session to Consider Whether to Develop or Consider Offers or Counteroffers for the Sale or Purchase of the Real Property in the Ci - Pdf](#)

10. ADJOURN



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

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Shirley Buecksler, City Clerk
Department: Administration
Subject: Minutes of the Regular Economic Development Authority Meeting dated May 20, 2024
Meeting: Economic Development Authority - Jul 15 2024

INTRODUCTION:

For the Commission's approval are the minutes of the May 20, 2024 Regular Economic Development Authority meeting.

ACTION REQUESTED:

Approve the minutes of the May 20, 2024 Regular Economic Development Authority meeting.

ATTACHMENTS:

[05.20.24 EDA Minutes](#)

**City of Farmington
Economic Development Authority
Regular Meeting Minutes
Monday, May 20, 2024**

The Farmington Economic Development Authority met in regular session on Monday, May 20, 2024, at Farmington City Hall, 430 3rd Street, Farmington, Minnesota.

1. CALL TO ORDER

Chair Wilson called the meeting to order at 5:30 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: None

Also Present: Lynn Gorski, City Administrator
Julie Flaten, Asst City Administrator/HR Director
Deanna Kuennen, EDA Executive Director
Stephanie Aman, Economic Development Coordinator
Kim Sommerland, Finance Director
John Powell, Public Works Director
Shirley Buecksler, City Clerk

4. APPROVE AGENDA

Motion was made by Commissioner Lien and seconded by Commissioner Bernatz 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 March 18, 2024 Economic Development Authority Meeting
- 6.2 Monthly Financial Report
- 6.3 Quarterly Report – Open to Business (Q1 2024)

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 Choose Vice-Chairperson for the EDA for Remainder of 2024

Motion was made by Commissioner Hoyt and seconded by Commissioner Bernatz to appoint Nick Lien as Vice-Chairperson for the remainder of 2024.

Motion carried: 4 ayes / 0 nays

8.2 Small Business Resource Fair

The Small Business Resource Fair is scheduled for July 16th from 8 to 10:30 am. The target audience for this event is businesses with less than 20 employees. As of today, 17 businesses have confirmed their attendance.

Discussion included:

- A suggestion for businesses to be able to sign up for future notices and invitations, similar to notifications on the City's website.
- QR code to register for events.

8.3 2023 MicroGrant Awards and Updates

Coordinator Aman provided an update on the 2023 MicroGrant Awards. A total of \$10,000 funded by the EDA MicroGrant program was awarded to the following four businesses in 2023.

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.

8.4 2025 Budget – Preliminary Discussion

Director Kuennen thanked the EDA for making this the first year in which the EDA has a dedicated levy.

Direction: discontinue the \$50K transfer from the General Fund and include it in the EDA budget, and come back with a reasonable budget amount, as we look at the budget as a whole.

9. **DIRECTOR'S REPORT**

9.1 Director's Report

Director Kuennen said this was a great night for all of us and, again, congratulated the City for being a finalist for the 2024 MREJ Awards, City/County of the Year and thanked everyone for coming out to be part of this celebration and award.

Kuennen pointed out two items from the report in the EDA's packet:

- BRE Plan – this is a departure from the BRE program in the past and was intentional. We recognize the time and effort put into the previous program, but these will be conversations, and this is where we have found we get the most input back from the businesses and how we have the most authentic interaction. This is how we anticipate focusing on the BRE for the rest of the year.
- There is an opportunity to support the idea of property and site readiness. We have been made aware of a property that may be listed this summer

that could be of interest and benefit for the City to acquire. However, if something like that were to happen, it is our recommendation that we understand what we are getting into. We are asking the EDA to consider allowing us to use \$6,000 to hire a consultant from the consultant pool who would do a structural analysis on this particular property, including all the buildings on the property. The consultant will provide us with a detailed construction report of repairs and recommendations, as well as priorities for those repairs, removals, etc. This would be important information to have before we bring any property negotiations forward in a closed session. Chair Wilson and the Commissioners agreed to move forward.

10. ADJOURNMENT

Motion was made by Commissioner Lien and seconded by Commissioner Bernatz to adjourn the meeting at 6:43 p.m.

Motion carried: 3 ayes / 1 nay – Chair Wilson would have preferred to continue this good conversation.

Respectfully submitted,

Shirley R Buecksler
City Clerk

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community & Economic Development Director
Department: EDA
Subject: Monthly Financial Report
Meeting: Economic Development Authority - Jul 15 2024

INTRODUCTION:

Attached is a monthly Financial Report through July 2024.

DISCUSSION:

Attached is the monthly Financial Report for July 2024, including a summary of the 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 the community vision, etc." Of these funds:

- \$39,9000 has been designated to fund the Alternative Urban Areawide Review (EDA Resolution 2024-01)
- \$6,000 was approved at the May meeting to fund a structural analysis of buildings located on PID 140310022012

BUDGET IMPACT:

Not applicable

ACTION REQUESTED:

Accept monthly Financial Report for July 2024.

ATTACHMENTS:

[JULY 2024 Financial Report](#)

JULY 2024 and YTD BUDGET

Business Unit	Object Account	Account Description	YTD Spent (thru 7-1-24)	Approved 2024 Budget	Adjusted Budget numbers per Finance	Actual Remaining
2000 - HRA/ECONOMIC DEVELO	6280	BOOKS & SUBSCRIPTIONS	0.00	150.00	150.00	150.00
2000 - HRA/ECONOMIC DEVELO	6401	PROFESSIONAL SERVICES	37,500.00	5,000.00	42,500.00	5,000.00
2000 - HRA/ECONOMIC DEVELO	6403	LEGAL	830.50	3,000.00	3,000.00	2,169.50
2000 - HRA/ECONOMIC DEVELO	6426	INSURANCE	156.95	600.00	600.00	443.05
2000 - HRA/ECONOMIC DEVELO	6445	POSTAGE/SHIPPING FEES	0.00	1,000.00	1,000.00	1,000.00
2000 - HRA/ECONOMIC DEVELO	6450	OUTSIDE PRINTING	421.51	2,500.00	2,500.00	2,078.49
2000 - HRA/ECONOMIC DEVELO	6455	LEGAL NOTICES	0.00	500.00	500.00	500.00
2000 - HRA/ECONOMIC DEVELO	6460	MEMBER DUES & LICENSURE	8,260.05	3,500.00	8,000.00	-260.05
2000 - HRA/ECONOMIC DEVELO	6470	TRAINING & SUBSISTANCE	1,320.05	5,000.00	5,000.00	3,679.95
2000 - HRA/ECONOMIC DEVELO	6480	MEETING EXPENSE	109.11			-109.11
2000 - HRA/ECONOMIC DEVELO	6485	MILEAGE REIMBURSEMENT	1,392.44	3,000.00	3,000.00	1,607.56
2000 - HRA/ECONOMIC DEVELO	6505	EQUIPMENT REPAIR/MAINTENANCE	0.00	1,000.00	1,000.00	1,000.00
2000 - HRA/ECONOMIC DEVELO	6550	DEVELOPER PAYMENTS	0.00	50,000.00	50,000.00	50,000.00
2000 - HRA/ECONOMIC DEVELO	6570	PROGRAMMING EXPENSE	5,500.00	10,000.00	10,000.00	4,500.00
2000 - HRA/ECONOMIC DEVELO	7420	OTHER	12,950.00	64,750.00	22,750.00	9,800.00
Total 2000 - HRA/ECONOMIC DEVELOPMENT			0.00	-51,000.00	150,000.00	
						81,559.39
			0.00	-51,000.00	51,000.00	11,100.00
			0.00	-51,000.00	201,000.00	92,659.39

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, Business Cards

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

Coffee - Chamber Coffee Event

2024 Open to Business

***Includes: MREJ Marketing (10,000), MREJ*

Unallocated - for TBD initiatives around land, rev loans, comp plan. \$39,900 reallocated to Gen Fund for AUAR consultant (\$6000 Not Reflected - for Structural Analysis)

Remaining Budget

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community & Economic Development Director
Department: EDA
Subject: Director's Report
Meeting: Economic Development Authority - Jul 15 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 informational and is provided to communicate how the EDA time and money resources are allocated, and to track and measure the impact of initiatives.

ATTACHMENTS:

[07-2024 Director's Report](#)

Reporting Period:

July 2024

Projects & Initiatives

DIRECTOR'S REPORT – providing project highlights and a summary of economic development activity.

- 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.

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.



An Open House Celebration is being planned for the third week in October. More information to come.

- Community Vision/Comprehensive Plan Update - HKGi
A joint Planning Commission/City County work session was held in June to discuss the revised future land use plan. Both the Planning Commission and City Council voiced that the changes accurately reflected their requests to provide more opportunity for business growth. *Staff is now working with the consultants to make final revisions, build out the staging maps, and prepare materials for public input meetings. Once dates have been set for the public input meetings, those will be heavily advertised.*

	<ul style="list-style-type: none"> • Small Business Resource Event – July 17, 2024, from 8:00-10:30 am. • MREJ Staff moderated a panel at the 2nd Annual Southeast Metro Development Summit held on May 23rd and tabled at the event. <i>Two specific meetings and one site visit have been generated specifically from this event.</i> <p>Farmington also sponsored the Mid-Year Forecast Summit and will be at the summer networking event.</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. <ul style="list-style-type: none"> ○ Filming in all 7 communities is finished and they are moving into the Post-Production stage. ○ “My Town” has been greenlit for Season 2, which will help bring more eyes to Season 1 and the Farmington episode. ○ There are plans for a special theatrical premiere in October, but the details are not available just yet. • BRE – Staff has actively started to schedule and conduct business visits based on the BRE Plan discussed at the May meeting.
Prospects	<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. • R&L Carriers – this local business has secured additional property in the industrial park to accommodate a nearly 100,000 SF expansion. <i>The project has submitted Planning & Zoning applications and are anticipating construction starting in late 2024.</i> 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 \$40 million + project proposes 168 units of market rate apartments, underground parking, site amenities, and a connection to downtown. The project has received all Planning & Zoning Approvals and a Tax Abatement Agreement has been approved (following a required public hearing). <i>There are still some final details that are in process, but the developer is working towards closing on the property in late July and starting construction this summer.</i>

	<ul style="list-style-type: none"> • 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. • Tract presented at a special work session on June 4th to introduce their company and their proposed project plans. <i>Tract is working through the entitlement process associated with the goal of developing a master planned technology park for data centers.</i> There are multiple steps involved with this proposed development including rezoning and a Planned Unit Development. It is anticipated that planning applications will be submitted in July, a project website launched in July, a community meeting conducted in late August, with the Planning Commission reopening the rezoning public hearing in September. There is some confusion around the process and timeline, but once applications are received and the Tract project website is launched, additional information will be available to the public. • Two RFI from DEED were received. <i>Neither project was a fit for Farmington and responses were not submitted.</i> They both had large land mass requirements and massive infrastructure needs/demands. Staff continue to vet RFIs as they are received and will respond appropriately. • The two Alternative Urban Areawide Reviews (Farmington West Industrial and Farmington Technology Park) continue to progress. Alternative Urban Areawide Reviews (AUAR) are planning documents that identify impacts of different development scenarios and the required mitigation measures.
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. No additional details are available currently. • Staff continue to stay connected and engaged with the Minnesota Trade Office, DEED, Greater MSP, and other organizations. • <i>The Unexpectedly Bold marketing campaign was nominated for a Northern Lights Award.</i> The award ceremony will be held on July 17th. • Two ribbon cuttings are planned for July. <ul style="list-style-type: none"> ○ State Farm, 431 3rd Street – July 16th at 10:30 am ○ The Community Room, 305 3rd Street – July 19th at 9 am - <i>tentative</i>

Join us for the
Ribbon Cutting Celebration for



Tuesday, July 16 at 10:30 am
431 3rd Street, Suite 2
Farmington, MN

Welcome Sierra Juhl State Farm Insurance
to downtown Farmington! Sierra purchased the building at 431 3rd Street and moved her insurance office downtown.
The ribbon cutting will take place at the conclusion of the Small Business Resource Fair, which ends at 10:30 am.

Questions? Contact Stephanie Aman
SAman@FarmingtonMN.gov or 651-280-6823



Join us for the
Ribbon Cutting Celebration for



Friday, July 19
9 am - 11 am
305 3rd Street
Farmington, MN

Welcome The Community Room
to downtown Farmington!
The ribbon cutting will take place at 9 am with a light brunch and refreshments available during the open house from 9am-11am.

Questions? Contact Stephanie Aman
SAman@FarmingtonMN.gov or 651-280-6823



- *Farmington is featured in an upcoming edition of Business View Magazine.* The article/edition will be launched soon and a link will be shared with the EDA. The article will focus on our bold initiatives to proactively drive our future while preserving the elements that make Farmington a community.

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Stephanie Aman, Economic Development Coordinator
Department: EDA
Subject: Small Business Resource Fair Update
Meeting: Economic Development Authority - Jul 15 2024

INTRODUCTION:

The 2024 EDA Work Plan included hosting/holding a 'lunch and learn' for businesses in July. At the time the work plan was prepared, the details of the event were not determined. Based on feedback from some small businesses, there seemed to be interest and value in attempting a small business resource fair in July. This concept and accompanying plan were presented to the EDA at the May meeting with a positive response.

DISCUSSION:

The Small Business Resource Fair is scheduled for Tuesday, July 16, from 8-10:30 am.

Staff contacted many different organizations whose business model focuses on small businesses, seeking their participation in the event. Through these efforts, a good mix of local and non-local exhibitors have confirmed participation. The goal is to provide exposure to business resources that might not be as known to our Farmington small businesses. There will be 14 exhibitors (as of this packet posting) with a short list of other possible exhibitors.

The 14 committed exhibitors are:

- State of Minnesota
- Dakota County Chamber
- Open to Business/MCCD
- Hiawatha Broadband
- Dakota County CDA
- First Farmers and Merchants
- Castle Rock Bank
- Dakota Electric
- Tech River
- Pink Collar Accountants
- Dakota County Library (Small business seminars are hosted frequently with them)
- SOL-IS
- State Farm Insurance
- City of Farmington – Planning and Building Divisions

To market the resource fair, the following means were utilized - in addition to word-of-mouth by our business community:

Marketing efforts:

- A direct mail piece was sent to nearly 150 businesses on June 20 with only nine returned back as undeliverable.
- Social media posts went out on the City's official sites on June 24.
- A news bulletin/alert was placed on the City's website on June 25.
- City Staff have added it to their LinkedIn profile.
- An email was sent on July 10 as a reminder to small businesses.
- One more reminder will go out on social media channels prior to the fair.

RSVPs were not required from the attendees, but Staff is received positive responses from the businesses we have heard from. A full recap of the event will be provided at the August EDA Meeting.

BUDGET IMPACT:

Approximately \$300 for materials and breakfast

ACTION REQUESTED:

No action needed. Please feel free to attend the Small Resource Fair if you are available.

ATTACHMENTS:

[Small Business resource Fair Postcard Invitation - FULL PAGE](#)
[SocialsSmallBusinessFairAd2](#)

Let's Connect!



Deanna Kuennen

Community & Economic
Development Director
DKuennen@FarmingtonMN.gov
651-280-6820

Stephanie Aman

Economic Development
Coordinator
SAman@FarmingtonMN.gov
651-280-6823



430 Third Street
Farmington, MN 55024

*Special invitation for
Farmington small businesses!*

www.FarmingtonMN.gov



Small Business Resource Fair

Starting and growing a business takes work. We recognize that time is a valuable resource in short supply for small business owners - but there are resources available to help!

Farmington small businesses are invited to attend the 1st Small Business Resource Fair hosted by the City. This free, no-pressure event is designed to provide a "one stop shop" to discuss how the exhibitors can help YOU achieve your business goals. All exhibitors are 'small business friendly' and are eager to meet with you!

Come - discover and connect at this small business resource fair!

All Farmington small businesses are welcome to attend. Please spread the word!



Details

Tuesday, July 16

from

8:00 am to 10:30 am

City Hall Commons

Agenda

8:00am - 8:30am - Check-in, donuts, coffee & networking

8:30am - 9:30am - Presentations from the exhibitors

9:30am - 10:30am - Network with exhibitors &
other business owners

*Rooms for private conversations
will be available in City Hall.*

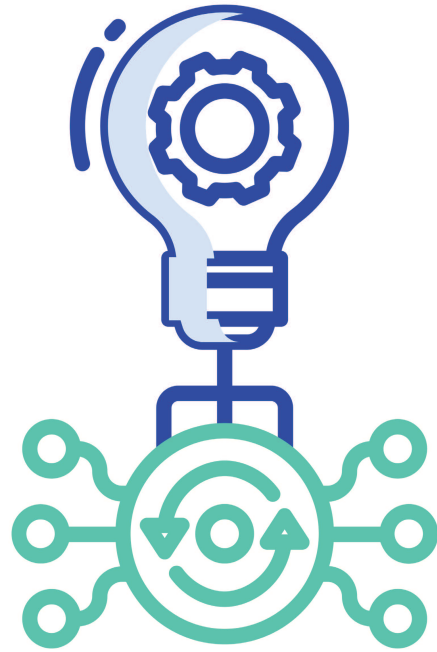
Resource Fair exhibitors include:

- DEED
- Dakota County Library Staff
- IT Support
- Accounting Assistance
- Open to Business
- Commercial Insurance Providers and more!

RSVP Please!

RSVP to Stephanie Aman
SAman@FarmingtonMN.gov or
P: 651-280-6823

Small Business Resource Fair



Tuesday, July 16

8 am to 10:30 am

City Hall Commons Area

Agenda:

8 am to 8:30 am : Check-in, donuts, coffee, and networking

8:30 am to 9:30 am : Introductions from the exhibitors

9:30 am to 10:30 am : Network with the exhibitors and other small business owners

Rooms for private conversations will be available in City Hall.

All Farmington small businesses are invited to attend!

BOLD **UNEXPECTEDLY**

*To ensure ample space and refreshments - please RSVP to
Stephanie at SAman@FarmingtonMN.gov or call 651-280-6823*

ECONOMIC DEVELOPMENT AUTHORITY AGENDA MEMO

To: Economic Development Authority
From: Deanna Kuennen, Community & Economic Development Director
Department: EDA
Subject: 2025 Preliminary Budget, Work Plan, and EDA Levy Discussion
Meeting: Economic Development Authority - Jul 15 2024

INTRODUCTION:

At the May EDA meeting, the EDA reviewed the 2024 EDA Work Plan and budget, and began discussions related to the 2025 EDA Work Plan and budget (please see attached May staff report). This discussion centered around accomplishments to date, the momentum associated with the marketing efforts and outcomes, the impact of a dedicated funding source (EDA levy), and ideas on how to best support the small business community. Based on that discussion and the direction provided, Staff has refined the proposed 2025 budget and proposed EDA levy.

DISCUSSION:

At the May EDA meeting, the EDA supported both a continuation and an increase in an EDA levy. The EDA expressed satisfaction with the accomplishments to date, how the EDA funds are being dedicated to leverage business attraction and investments in the community, and the quality of projects and initiatives. Specifically, the EDA requested that the preliminary levy incorporate the General Fund annual transfer (\$50,000) - and include a responsible increase that provided funding to continue and grow the existing economic development initiatives and contribute to a growing fund balance. The idea behind growing the fund balance incrementally is to provide flexibility if/when opportunities arise and to allow the pursuit of larger programs and initiatives (yet to be determined but could include the establishment of a revolving loan program, funding for land acquisition, etc.). The following reflects the revised proposed 2025 budget:

EDA BUDGET WORKSHEET

Company	Business Unit	Object Account	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Budget 2024	Proposed 2025	2025 Proposed Budget Comments
INCOME									
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	4011 - CURRENT PROPERTY TAX	0	0	0	0	(150,000)	(250,000)	per EDA discussion - absorbs previous gen fund transfer, plus an increase over 2024 levy
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	4955 - INTEREST ON INVESTMENTS	(3,136)	(3,425)	(6,929)	(4,540)	(1,000)	(2,600)	KS 6/8/24
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	5205 - OPERATING TRANSFERS	(40,000)	(50,000)	(86,969)	(50,000)	(50,000)	0	per EDA discussion - increase levy to eliminate transfer
EXPENSES									
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6280 - BOOKS & SUBSCRIPTIONS	80	0	0	0	150	150	same
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6401 - PROFESSIONAL SERVICES	26,575	0	24,993	37,500	5,000	25,000	financial consultant, specific project related (ex: property acquisition, property analysis, site planning)
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6403 - LEGAL	2,287	0	9,245	831	3,000	3,000	same - complex issues, potential changes to bylaws, etc.
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6426 - INSURANCE	542	486	580	157	600	600	same
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6445 - POSTAGE/SHIPPING FEES	0	0	0	0	1,000	1,000	misc. mailings - program related, direct mailings, etc.
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6450 - OUTSIDE PRINTING	4,572	0	2,042	422	2,500	3,000	SWAG for events, marketing materials, program postcards, etc.
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6455 - LEGAL NOTICES	92	0	792	0	500	500	
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6460 - MEMBER DUES & LICENSURE	1,250	1,790	2,989	8,260	3,500	8,500	Chamber, CVN, EDAM, MMP, other (in 2024 these were included in "other" line item)
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6470 - TRAINING & SUBSISTANCE	1,638	2,589	2,828	1,320	5,000	5,000	Includes EDAM winter & summer (2), CORENet, MMP, other specific econ dev organizations
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6480 - MEETING EXPENSE	11	183	350	109		500	coffe/donuts for meetings and open houses
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6485 - MILEAGE REIMBURSEMENT	410	1,324	3,270	1,392	3,000	5,100	
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6492 - ADVERTISING	0	0	8,715	0	0		
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6505 - EQUIPMENT REPAIR/MAINTENANCE	1,296	1,200	0	0	1,000	1,000	
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6550 - DEVELOPER PAYMENTS	37,923	16,510	20,176	0	50,000	50,000	program development - new incentives
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6570 - PROGRAMMING EXPENSE	5,240	5,200	5,150	5,500	10,000	85,000	DK payment to outside organizations for programming - ex: Open to Business; KS 6/17 move \$75K from 7420-Other: Enhanced marketing, matching grant funds, project implementation, site readiness, land activity, etc.
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	6910 - LAND					0		
HRA/ECONOMI	2000 - HRA/ECONOMIC DEVELOP	7420 - OTHER	0	0	0	12,950	64,750	0	Enhanced marketing, matching grant funds, project implementation, site readiness, land activity, etc.; KS moved \$75K to 6570-Programming Expense
	Total 2000 - HRA/ECONOMIC DEVELOPMENT		91,377	(47,141)	(25,961)	13,900	(51,000)	(64,250)	REMAINING BALANCE - TBD/Build Fund Balance for larger initiatives

To note:

- The EDA Levy amount increased from \$150,000 to \$250,000 - which represents a \$50,000 increase since the \$50,000 operating transfer is eliminated.
 - State Statutes limit the levy amount of 0.01813% of the city taxable market value, which is in excess of \$500,000
- The "Other" category has been removed and those funds are moved to the "Programming" line. Specific projects will be identified and working with Finance, sub-categories within this

line item will be created to allow tracking of specific program budgets.

- Approximately \$64,000 is unprogrammed. These dollars will help build the EDA fund balance but can also be available if needed based on a specific opportunity or initiative requested by the EDA.

The EDA is asked to review the levy request and preliminary budget. Based on input, Staff will start building out the specifics to the proposed 2025 Work Plan and prepare a Preliminary Levy Request resolution for consideration at the August EDA meeting. Now that the EDA levy is established, annually the EDA is required to request a preliminary and final levy as part of the City's budget.

BUDGET IMPACT:

Not applicable

ACTION REQUESTED:

No formal action is requested. The EDA is asked to discuss the proposed budget and provide direction on the preliminary 2025 EDA levy request.

ATTACHMENTS:

[05-2024 EDA Meeting -2025 Budget - Preliminary Discussion - Pdf](#)

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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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 & Economic Development Director
Department: EDA
Subject: Closed Session to Consider Whether to Develop or Consider Offers or Counteroffers for the Sale or Purchase of the Real Property in the City of Farmington, Dakota County, Minnesota (PID: 14-03100-22-012), Pursuant to Minnesota Statutes Section 13D.05, Subdivision 3(c)(3)
Meeting: Economic Development Authority - Jul 15 2024

INTRODUCTION:

During the regular Economic Development Authority meeting on July 15, 2024, the EDA will go into closed session to consider whether to develop or consider offers or counteroffers for the sale or purchase of the real property in the city of Farmington, Dakota County, Minnesota (PID: 14-03100-22-012) pursuant to Minnesota Statutes section 13D.05, subdivision 3(c)(3).

BUDGET IMPACT:

Not applicable

ACTION REQUESTED:

Motion to close the Economic Development Authority meeting pursuant to Minnesota Statutes section 13D.05, subdivision 3(c)(3), to consider whether to develop or consider offers or counteroffers for the sale or purchase of the real property in the city of Farmington, Dakota County, Minnesota (PID: 14-03100-22-012).