



Dakota County CDA Board of Commissioners

Agenda

Meeting Date: June 24, 2025	3:00 PM	CDA Boardroom, Eagan, MN
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1. Call To Order And Roll Call

2. Audience

Anyone wishing to address the CDA Board on an item not on the agenda, or an item on the consent agenda may notify the Clerk to the Board and instructions will be given to participate during the meeting. Comments can be sent to sjacobson@dakotacda.org. Verbal Comments are limited to five minutes.

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For more information, call 651-675-4434.

Dakota County CDA Board meeting agendas are available online at:
http://www.dakotacda.org/board_of_commissioners.htm

Next Meetings:

July 29, 2025

CDA Board of Commissioners Regular Meeting – 3 p.m.

Dakota County CDA Boardroom, 1228 Town Centre Drive, Eagan, MN 55123



Board of Commissioners

Meeting Minutes

Meeting Date: May 20, 2025 3:00 PM Boardroom; CDA Office, Eagan, MN

Commissioner Atkins called the meeting to order at 3:02 p.m.

COMMISSIONER ROLL CALL

	Present	Absent
Commissioner Slavik, District 1	X	
Commissioner Atkins, District 2	X	
Commissioner Halverson, District 3	X	
Commissioner Droste, District 4	X	
Commissioner Workman, District 5	X	
Commissioner Holberg, District 6		X
Commissioner Hamann-Roland, District 7	X	
Commissioner Velikolangara, At Large	X	

CDA staff in attendance:

Tony Schertler, Executive Director
Kari Gill, Deputy Executive Director
Sara Swenson, Director of Administration & Communications
Sarah Jacobson, Administrative Coordinator
Lisa Alfson, Director of Community & Economic Development
Maggie Dykes, Assistant Director of Community & Economic Development
Kathy Kugel, Housing Finance Manager
Ken Bauer, Director of Finance
Chris Meyer, Assistant Director of Finance
Travis Finlayson, Assistant Director of Housing Assistance
Anna Judge, Director of Property Management

Others in attendance:

Tom Donely, Dakota County
Heidi Welsch, Dakota County
Marti Fischbach, Dakota County
Erin Stwora, Dakota County
David Kutak, Kutak Rock
Terri Bates, Ebenezer Fairview
Julie Berger, Dorsey & Whitney

AUDIENCE

No audience members addressed the Board.

APPROVAL OF AGENDA AND MEETING MINUTES

25-6967 **Approval Of Agenda And Meeting Minutes**

BE IT RESOLVED by the Dakota County Community Development Agency Board of commissioners, that the agenda for the May 20, 2025 Regular Board meeting be approved as written.

BE IT FURTHER RESOLVED by the Dakota County Community Development Agency Board of commissioners, that the minutes for the April 22, 2025 Regular Board meeting be approved as written.

Motion: Commissioner Hamman-Roland Second: Commissioner Droste

Ayes: 7

Nays: 0

Abstentions: 0

	Yes	No	Absent	Abstain
Slavik	X			
Atkins	X			
Halverson	X			
Droste	X			
Workman	X			
Holberg			X	
Hamann-Roland	X			
Velikolangara	X			

FEDERAL PUBLIC HOUSING AND HOUSING CHOICE VOUCHER AGENDA

Consent

25-6968

Approval Of Amendments To The Housing Assistance Department Administrative Plans

WHEREAS, the Dakota County Community Development Agency (CDA), as an administrator of rental assistance programs, is required to adopt and maintain an administrative plan to delineate the policies used to govern the programs; and

WHEREAS, the Dakota County CDA has made updates to the Housing Assistance Department Administrative Plan to comply with the U.S. Department of Housing and Urban Development's Housing Opportunity Through Modernization Act.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the amendments to the Housing Assistance Department Administrative Plans are approved.

Motion: Commissioner Droste

Second: Commissioner Velikolangara

Ayes: 7

Nays: 0

Abstentions: 0

	Yes	No	Absent	Abstain
Slavik	X			
Atkins	X			
Halverson	X			
Droste	X			
Workman	X			
Holberg			X	

Hamann-Roland	X
Velikolangara	X

CONSENT AGENDA

25-6969 Approval Of Record Of Disbursements – April 2025

BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the April 2025 Record of Disbursements is approved as written.

Motion: Commissioner Halverson

Ayes: 6

Nays: 0

Second: Commissioner Droste

Abstentions: 0

	Yes	No	Absent	Abstain
Slavik	X			
Atkins	X			
Halverson	X			
Droste	X			
Workman	X			
Holberg			X	
Hamann-Roland	X			

REGULAR AGENDA

25-6970 Continue Public Hearing To Receive Comments On The Conveyance Of Property In Rosemount To Dakota County

Tony Schertler provided updates and answered questions.

WHEREAS, Dakota County Community Development Agency (CDA) is able to dispose of property after holding a public hearing for which a notice is published; and

WHEREAS, a notice of the public hearing was published in the Dakota County Tribune per statutory requirements; and

WHEREAS, after the public hearing notice was published, CDA staff learned that the Dakota County Board of Commissioners will not consider the acquisition of the property until later this summer.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the public hearing be continued to the August 26, 2025 Dakota County CDA Board meeting.

Motion: Commissioner Slavik

Ayes: 6

Nays: 0

Second: Commissioner Droste

Abstentions: 0

	Yes	No	Absent	Abstain
Slavik	X			
Atkins	X			
Halverson	X			
Droste	X			
Workman	X			
Holberg			X	
Hamann-Roland	X			

25-6971

Conduct A Public Hearing For The Issuance Of Revenue Bonds; Authorize The Issuance Of Healthcare Facility Revenue Refunding Bonds; And Authorize Execution Of Related Documents For The Ebenezer Ridges Care Center Project (Burnsville)

Kathy Kugel provided information and answered questions.

WHEREAS, the Dakota County Community Development Agency (the “Dakota County CDA”) is authorized by the laws of the State of Minnesota, particularly Minnesota Statutes, Sections 469.152 to 469.1655, as amended (the “Act”), to issue its revenue obligations to finance or refinance properties used in connection with a revenue producing enterprise engaged in health care services, including nursing homes, and to enter into any agreements in connection therewith; and

WHEREAS, in 2014, the Dakota County CDA issued health care facility revenue bonds (the “Series 204 Bonds”) to finance the addition of a transitional care unit to the Ebenezer Ridges Care Center located at 13820 Community Drive in Burnsville, Minnesota (the “Facility”) owned by Ebenezer Ridges d/b/a Ebenezer Ridges Care Center (the “Borrower”), a Minnesota nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), whose sole members is Ebenezer Society (“Ebenezer”), a Minnesota nonprofit corporation and an organization described in Section 501 (c)(3) of the Code (the “Project”); and

WHEREAS, the Series 2014 Bonds were issued pursuant to an Indenture of Trust, dated September 1, 2024 (the “Series 2014 Indenture”), between the Dakota County CDA and U.S. Bank National Association, now known as U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, in 2017, the Dakota county CDA issued health care facility revenue bonds (the “Series 2017 Bonds”) as additional bonds under the Series 2014 Indenture, pursuant to a First Supplemental Indenture of Trust (the “first Supplemental Indenture”) and loaned the proceeds thereof to the borrower pursuant to the Loan Agreement, dated as of September 1, 2014 (the “Series 2014 Loan Agreement”), as modified by a First Amendment to Loan Agreement (the “First Amendment to Loan Agreement”) in order to finance certain improvements to the Facility and pay certain costs of issuance (the “2017 Project”); and

WHEREAS, the Borrower has requested that the Dakota County CDA now issue its Health Care Facility Revenue Refunding Bonds (Ebenezer Ridges Care Center Project), Series 2025 (the “Bonds”), in an aggregate principal amount not to exceed

\$3,000,000, as additional bonds under the Series 2014 Indenture in order to redeem the Series 2017 Bonds and pay certain costs of issuance (the “2025 Project”); and

WHEREAS, the Bonds will be secured, on a parity with the Series 2014 Bonds, by revenues of the Facility pledged to the payment thereof, a mortgage by the Borrower and a guaranty by Ebenezer Society, a Minnesota nonprofit corporation; and

WEHREAS, on the date hereof, the Dakota County CDA held a public hearing, following publication of notice in the official newspaper of, or a newspaper of general circulation in, Dakota County as required by law, regarding the issuance of the Bonds; and

WHEREAS, the Dakota County CDA proposes to issue the Bonds pursuant to a Second Supplemental Indenture of Trust (the “Second Supplemental Indenture”), by and between the Dakota County CDA and the Trustee, modifying and supplementing the Series 2014 Indenture (as modified by the First Supplemental Indenture and the Second Supplemental Indenture, the “Indenture”), and to loan the proceeds thereof to the borrower pursuant to a Second Amendment to Loan Agreement (the “Second Amendment to Loan Agreement”), between the Dakota County CDA and the Borrower, modifying the Series 2014 Loan Agreement (as modified by the First Amendment to Loan Agreement and the Second Amendment to Loan Agreement, the “Loan Agreement”).

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of commissioners, That:

1. *Public Hearing.* That a public hearing has been conducted in accordance with law and closed.
2. *Findings.* The Dakota County CDA hereby finds that the issuance, sale and delivery of the Bonds and the loan of the proceeds thereof to the borrower to finance the 2025 Project in accordance with the purposes of the Act.
3. *Authorization of Issuance and Delivery of the Bonds.* In order to redeem the Series 2017 Bonds, the Dakota County CDA hereby authorizes the issuance and delivery of the Bonds. The Bonds shall be dated, shall mature, shall bear interest, shall be subject to redemption prior to maturity, and shall be in such form and have such other details and provisions as are prescribed in the Indenture and the Loan Agreement in substantially the forms now on file with the Dakota County CDA, subject to such changes not inconsistent with applicable law that are approved by the Executive Director of the Dakota County CDA. The issuance and delivery of the Bonds shall be conclusive evidence that the Executive Director has approved all provisions of the bonds as issued and any changes to the form of the Bonds on file with the Dakota County CDA on the date hereof. The final terms of the Bonds will be determined by the Borrower, and approved by the Dakota County CDA Official (as defined herein), with the aggregate principal amount of the bonds expected not to exceed \$3,000,000 and an estimated fixed interest rate expected not to exceed an all-in cost of 6.00%.

4. *Special Obligations.* The Bonds shall be special limited obligations of the Dakota county CDA payable solely from the revenues generated by the Borrower,. The Bonds do not constitute an indebtedness, liability, general or moral obligation (except to the extent of the assets pledged to the holder of the Bonds pursuant to the Indenture) or a pledge of the faith and credit of any taxing power of the Dakota County CDA, Dakota County, the State of Minnesota, or any political subdivision thereof.
5. *Applicable Elected Representative.* The members of the Board of Commissioners of the Dakota County CDA are the elected members of the Dakota County Board of Commissioners, Accordingly, approval of the issuance of the Bonds by the Board of Commissioners constitutes approval by the applicable elected representative of the Dakota County CDA, as required by Section 147(f) of the Code.
6. *Documents.* The following documents have been submitted to the Dakota County CDA for approval:
 - a. the Second Supplemental Indenture;
 - b. the Second amendment to Loan Agreement;
 - c. a Bond Purchase Agreement (the "Bond Purchase Agreement") between the Dakota County CDA, the Borrower, and Bridgewater Bank, N.A. as the purchaser of the Bonds (the "Purchaser");
 - d. and the Bonds.

The foregoing documents to be executed by the Dakota County CDA are hereinafter referred to as the "Bond Documents."

7. *Approval and Execution of Documents.* The Executive Director of the Dakota County CDA, or in his absence, the Deputy Executive Director or any member of the Board of Commissioners of the Dakota County CDA (the "CDA Official"), is hereby authorized and directed to enter into, execute, and deliver the Bond Documents, together with any other documents necessary or convenient in connection with the issuance of the bonds (together with the Bond Documents, the "Documents"), and is hereby authorized and directed to execute and deliver the Bonds in accordance with the terms of the Indenture and the Loan Agreement. The Documents shall be substantially in the form now on file with the Dakota County CDA, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the CDA Official, in his discretion, shall determine, and the execution and delivery thereof by the CDA Official shall be conclusive evidence of such determination.

The Indenture and the bonds shall provide the forms and conditions, covenants, rights, obligations, duties, and agreements of the holder of the Bonds and the Dakota County CDA, as set forth therein.

All provisions of the Documents, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

8. *Additional Certificates, Instruments, and Documents.* The CDA Official is hereby authorized to execute and deliver, on behalf of the Dakota County CDA, such other certificates, instruments, and other documents as are necessary, customary, or appropriate in connection with the issuance, sale, and delivery of the Bonds, or are necessary to establish the validity or enforceability of the Bonds, or are required by bond counsel to establish the validity or enforceability of the Bonds or the exclusion from gross income of interest on the Bonds for purposes of federal and State of Minnesota income taxation.
9. *Borrower Documents.* In connection with the issuance of the Bonds, the Borrower will be required to execute and deliver: (i) the Second Amendment to Loan Agreement, (ii) a Second Amendment to Mortgage Agreement between the Borrower and the Trustee; (iii) the bond Purchase Agreement, and (iv) all other documents, instruments, and security of any nature required by the Dakota County CDA, Purchaser, Purchaser's counsel or bond counsel, for the benefit of the Purchaser.
10. *Limited Liability.* All covenants, stipulations, obligations, and agreements of the Dakota County CDA contained in this resolution and the aforementioned certificates, instruments, and Documents shall be deemed to be the covenants, stipulations, obligations, and agreements of the Dakota County CDA to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations, and agreements shall be binding upon the Dakota County CDA. No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned certificates, instruments, or Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the board of Commissioners of the Dakota County CDA, or any officer, agent, or employee of the Dakota County CDA in that person's individual capacity, and neither the board of commissioners of the Dakota County CDA nor any officer or employee executive the Bonds shall be liable personally on the bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant, or agreement contained in the aforementioned certificates, instruments, or Documents, or in the bonds, or in any other document related to the bonds, and no obligation therein, or herein imposed upon the Dakota County CDA or the breach thereof, shall constitute or give rise to any pecuniary liability of the Dakota County CDA or any charge upon its general credit or taxing powers. The Bonds shall never constitute indebtedness of the Dakota County CDA within the meaning of any provision or limitation of the Minnesota Constitution or statutes and shall not constitute or give rise to any pecuniary liability of the Dakota County CDA or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Dakota County CDA has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement and which are to be applied to the payment of the Bonds, as provided therein.

11. *Third Parties.* Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Dakota County CDA or any owner of the bonds issued under the provisions of this resolution any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the Dakota County CDA and any owner from time to time of the bonds issued under the provisions of this resolution.
12. *Invalid Provisions.* In case any one or more of the provisions of this resolution or any of the documents shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or of the Documents, but this resolution and the documents shall be construed and endorsed as if such illegal or invalid provision had not been contained therein.
13. *Bond Recital.* The Bonds, when executed and delivered, shall contain a recital that it is issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the bonds and the regularity of the issuance thereof and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to and in the enactment of this resolution, and precedent to issuance of the Bonds, and the precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.
14. *CDA Official.* The CDA Official is hereby authorized to do all acts and things required of him or her by or in connection with this resolution, the aforementioned certificates, instruments, or Documents, and the bonds for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned certificates, instruments, and Documents, and this resolution. If any person whose signature appears on any of the foregoing certificates, instruments, or Documents shall cease to be a CDA Official before the date of issuance of the bonds, such signature shall, nevertheless, be valid and sufficient for all purposes.
15. *Future Amendments.* The authority to approve, execute, and deliver future amendments to the Documents relating to the bonds is hereby delegated to the Executive Director, subject to the following conditions: (a) the holder of the bonds has consented to such amendment (if such Bondholder consent is required); (b) such amendments do not materially adversely affect the interests of the Dakota county CDA; (c) such amendments do not contravene or violate any policy of the Dakota County CDA; (d) such amendments are acceptable in form and substance to bond counsel or other counsel retained by the Dakota County CDA to review such amendments; and (e) the Dakota County CDA has received an opinion of bond counsel to the effect that the

amendments will not adversely affect the tax-exempt character of interest on the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

Motion: Commissioner Workman

Ayes: 6

Nays: 0

Second: Commissioner Hamann-Roland

Abstentions: 0

	Yes	No	Absent	Abstain
Slavik	X			
Atkins	X			
Halverson	X			
Droste	X			
Workman	X			
Holberg			X	
Hamann-Roland	X			

INFO

Presentation Of The Proposed Budget And Plan For Fiscal Year Ending June 30, 2026

Tony Schertler and Ken Bauer provided updates and answered questions.

INFO

Executive Director Update

Tony Schertler provided updates.

Information

A. Open To Business Report, Q1 2025

25-6972

Adjournment

BE IT RESOLVED, that the Dakota County Community Development Agency Board of Commissioners, hereby adjourns until Tuesday, June 24, 2025.

Motion: Commissioner Hamman-Roland

Second: Commissioner Slavik

Ayes: 7

Nays: 0

Abstentions: 0

	Yes	No	Absent	Abstain
Slavik	X			
Atkins	X			
Halverson	X			
Droste	X			
Workman	X			
Holberg			X	
Hamann-Roland	X			
Velikolangara	X			

The CDA Board meeting adjourned at 4:16 p.m.

Clerk to the Board



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 4A

DEPARTMENT: Finance

FILE TYPE: Federal - Action

TITLE

Approval Of The Public Housing And Housing Voucher Operating Budgets For The Fiscal Year Ending June 30, 2026

PURPOSE/ACTION REQUESTED

Approve the Public Housing and Housing Voucher operating budgets for the fiscal year ending June 30, 2026.

SUMMARY

The proposed budget for the fiscal year ending June 30, 2026, projects revenue of \$36,642,405; expense of \$36,841,280; and net transfers out of \$110,000 for a decrease in reserves and budgetary fund balance of \$308,875 for the Public Housing and Housing Voucher operating budgets.

Subfund/Program	Revenue	Expense	Transfers In (Out)	Reserves & Fund Balances
Public Housing	\$ 2,121,119	\$ 2,039,217	\$ 70,000	\$ 151,902
Housing Assistance - Vouchers	33,455,702	33,759,269	(180,000)	(483,567)
Housing Assistance - Mainstream	586,785	582,645	-	4,140
Housing Assistance - EHV	478,799	460,149	-	18,650
Total Public Housing/Hsg Voucher	36,642,405	36,841,280	(110,000)	(308,875)
Non-Public Housing/Hsg Voucher	59,939,246	48,891,910	110,000	11,157,336
Total FYE 2026 operating budget	\$ 96,581,651	\$ 85,733,190	\$ -	\$ 10,848,461

RECOMMENDATION

Staff recommends approval of the Public Housing and Housing Voucher operating budgets for the fiscal year ending June 30, 2026.

EXPLANATION OF FISCAL/FTE IMPACTS

The Public Housing and Housing Voucher operating budgets for the fiscal year ending June 30, 2026 projects revenue of \$36,642,405; expense of \$36,841,280; and net transfers out of \$110,000 for a decrease in reserves and budgetary fund balances of \$308,875.

☐ None ☐ Current budget ☐ Amendment Requested ☒ Other

RESOLUTION

WHEREAS, the Dakota County Community Development Agency (CDA) has completed the operating budget process for the fiscal year ending June 30, 2026, and

WHEREAS, the CDA Board of Commissioners has reviewed the proposed operating budget for the Public Housing and Housing Voucher programs for the fiscal year ending June 30, 2026, and

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the operating budget for the Public Housing and Housing Voucher programs for the fiscal year ending June 30, 2026, is hereby approved as follows:

BE IT FURTHER RESOLVED, that the HUD-52574, PHA/IHA Board Resolution, required by the U.S. Department of Housing and Urban Development (HUD) is hereby approved; and

BE IT FURTHER RESOLVED, that the CDA authorizes the transfer of \$180,000 of pre-2004 Unrestricted Net Position in the Housing Choice Voucher program, sufficient to fund capital improvements to the CDA's Administrative Office; and

BE IT FURTHER RESOLVED, that the Executive Director is authorized to implement and carry out this budget program.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: Budget and Plan for the Fiscal Year Ending June 30, 2026

Attachment B: HUD-52574

CONTACT

Department Head: Ken Bauer, Finance Director

Author: Chris Meyer, Assistant Director of Finance

**DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY**

**BUDGET AND PLAN
FOR THE
FISCAL YEAR ENDING
JUNE 30, 2026**

**Dakota County CDA
1228 Town Centre Drive
Eagan, MN 55123
Telephone (651) 675-4400**

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May 20, 2025

Chair Atkins and Dakota County Community Development Agency (CDA) Commissioners:

I am pleased to submit for your consideration the annual operating budget for the fiscal year ending June 30, 2026 (FYE26). This budget request will allow the agency to continue to address the affordable housing and community development needs in Dakota County communities, while at the same time, maintain a high degree of financial stability for the CDA. This budget is the product of the input received from the Board during the March Budget Workshop and several months of work by the Executive Director, Finance Department, Department Directors, and their staff. This budget was prepared to address the following goals:

- **New Housing Development:** This budget reflects the continued pursuit of new CDA owned/managed affordable housing developments.
 - **Common Bond:** The CDA expects to be starting construction on a new Common Bond funded senior housing development (Hillcrest phase II) in this fiscal year dependent on City Council approvals. Currently staff are working with our architect for plans to be submitted to the City of Inver Grove Heights for that development.
 - **Family Workforce Housing:** We will continue to work on identifying parcels for potential future tax credit (9%) developments. We will complete construction and initial lease-up on Denmark Trail Townhomes in Farmington late this summer. The outstanding debt obligations to Minnesota Housing and Family Housing Fund on our workforce townhome portfolio continue to mature. The budget anticipates our continued satisfaction with those debt obligations.
 - **Development Plan:** Build 1,000 more units of affordable housing in the next 10 years. Later this summer, we will discuss a formal development and financing plan to continue to develop affordable rental housing. We have several sites in the pipeline and continue to work with cities to identify development opportunities.
- **Support Private and Non-Profit New Affordable Housing Development:** This budget reflects and anticipates continued interest in CDA's Tax Exempt Bond and Tax Credit (9%) allocations. These resources typically produce or preserve about 200 units of affordable housing per year.
- **Financial Sustainability & Staffing:** This budget continues the consideration of the long-term view of our revenues and costs and reflects an overall staffing capacity of

110.52 FTEs (a decrease from our current budget's 113.36 FTEs). The decrease is due to not including internships that we have had in the past, a voluntary reduction in hours for one position in Community & Economic Development, and reduction in budgeted hours for an IT position in Administration that is budgeted for succession planning.

- **Special Benefit Tax Levy Support:** The budget includes the 2025 levy level of 0.0156 percent of the estimated market value which is less than the maximum available levy allowable to the CDA (0.0185). This ongoing tax authority provides debt service payments required by the Common Bond Fund, funding for the HOPE Program to provide gap financing for affordable housing and homebuyer/homeowner initiatives.
- **Economic Development:** Funding for economic development activities reflects the discussion from the Economic Development Workshop held in February 2025. These items include: Open to Business, CEO Next, continued investment in GREATER MSP and an increase in marketing or “telling our story” of economic development successes in Dakota County. We will continue assisting cities with redevelopment needs through the Redevelopment Incentive Grant program.
- **Redevelopment:** This budget includes resources to continue to reposition the Delta site in Eagan. This is a big project, and we will continue to have holding costs for the site until we’re able to demolish the building. Then we will need to investigate any environmental cleanup needs. We will return to the Board with a budget amendment once we have demolition and environmental mitigation bids.
- **Addressing Hard to House Population Needs:** We continue to collaborate with Dakota County Community Services to address local needs. This includes 22 family vouchers for households transitioning out of Dakota Woodlands, five CDA levy funded vouchers for Lincoln Place, and 40 Project Based Vouchers at Cahill Place in Inver Grove Heights. This budget does not currently reflect any of the Bring It Home vouchers. We have applied for those vouchers but will not know the award until after the FYE26 fiscal year starts. We will bring back budget amendments to incorporate this into our budget.
- **Public Housing/Section 18 LLC:** We have 203 units remaining in our public housing portfolio and staff will continue to reposition the balance of our units through the Section 18 process. The goal is to transition all of our units out of public housing to reduce regulatory burden and build new affordable housing using the sale proceeds. We will continue to sell Section 18 single family homes and duplexes as they turnover to reduce our maintenance and management burden on these properties and to provide affordable homeownership opportunities.
- **Maintenance of CDA Properties:** The budget includes \$7.7 million in non-routine capital expenditures for our rental housing developments and our Eagan office. Forecasts projecting our capital needs for the next 20 years are reviewed each budget cycle to ensure that we’re earmarking funds for current and future capital needs. When the County approves the allocation of Local Affordable Housing Aid to the CDA of \$4,500,000 we will spend the dollars according to the plan outlined during our budget workshop.

THE BUDGET IN BRIEF

Consistent with prior years, the accompanying operating budget excludes the Workforce Housing Limited Partnerships. After fifteen years, the Limited Partner exits the partnership and the CDA merges these entities into a blended component unit of the CDA, and they are then included in the CDA's operating budget. The operating budget also excludes capital projects not financed with operating revenues and certain Federal or State grants with grant periods that do not coincide with the CDA's fiscal year or that run across multiple fiscal years. Finally, the budget does not include activities where the CDA acts as an agent for another governmental entity pursuant to a Joint Powers Agreement. Appendix D provides a projection of the revenues and expenses for these excluded activities. This projection was used during the budgeting process to estimate staffing levels and the allocation of administrative costs.

Total revenue excluding one-time property sales for annually budgeted funds is projected to be \$96.5 million versus the \$94.2 million estimated in the current year for an increase of \$2.3 million or 2.4 percent. The largest sources of revenue in dollar terms are intergovernmental (grants) of \$36.7 million; rental revenue of \$28.8 million and taxes/tax increments of \$13.4 million. These three sources account for 81.8% of all budgeted revenue. The HUD-funded Housing Voucher program accounts for 92.5% of all grant revenue in the operating budget.

Total expense for annually budgeted funds is projected to be \$85.7 million versus the \$87.6 million estimated in the current year for a decrease of \$1.9 million. The largest categories of expense in dollar terms are housing assistance payments (haps) of \$31.4 million; administrative expense of \$16.1 million, ordinary maintenance of \$8.2 million, capital/extraordinary maintenance of \$8 million and debt service of \$7.2 million. Budgeted haps are flat from the current year estimate. Administrative and maintenance are increasing, in part, due to higher compensation costs. Capital/extraordinary maintenance is decreasing, largely due to FYE 25 including the Delta site acquisition. Debt service is slightly higher and general expenses, comprised of taxes, insurance and program costs are increasing overall due to higher insurance and programmatic costs in the upcoming budget. Most of these programmatic costs are in the Housing Development & Renewal (HD&R) programs as well as the HOPE program and tax increment districts. Details regarding these expenses are provided in Appendix A on page 29 for the HD&R and HOPE programs and Appendix B on page 30 for the tax increment districts.

The proposed budget anticipates an increase in the budgetary fund balances of \$10.8 million for a total of \$239.2 million. Of this, \$80.4 million is attributable to Real Estate Operations which holds retained earnings and fee income from the senior and workforce housing programs. These funds provide a reserve to meet the capital needs of these buildings as identified in the twenty-year capital projections. The housing assistance and rental properties have another \$105 million in budgetary fund balance and these balances are generally restricted by grantors or debt covenants. The HD&R, Levy and HOPE programs have \$42.9 million in budgetary fund balance and the tax increment districts have another \$10.6 million. The remaining fund balance is attributable to the HIA, office and technology funds.

In summary, the agency continues to be in sound financial condition because of its diversified funding streams. While we are certainly not immune to the ups and downs of Federal and State budget processes, we are much less impacted than most of our peers. This achievement is in no small part due to the support provided by the CDA and County Commissioners.

Respectfully submitted,



Tony Schertler
Executive Director

BUDGET PROCESS

BUDGET ADOPTION

The management of the Dakota County Community Development Agency submits a proposed operating budget to the Board of Commissioners no later than the third Tuesday each May. All operating funds are subject to the annual budget process with the exception of certain grant awards, which are subject to the grant contract limitations, and trust and agency funds. The fiscal year of the agency begins on July 1 and ends on June 30.

BUDGET CALENDAR

Important dates in the development of the budget are given below:

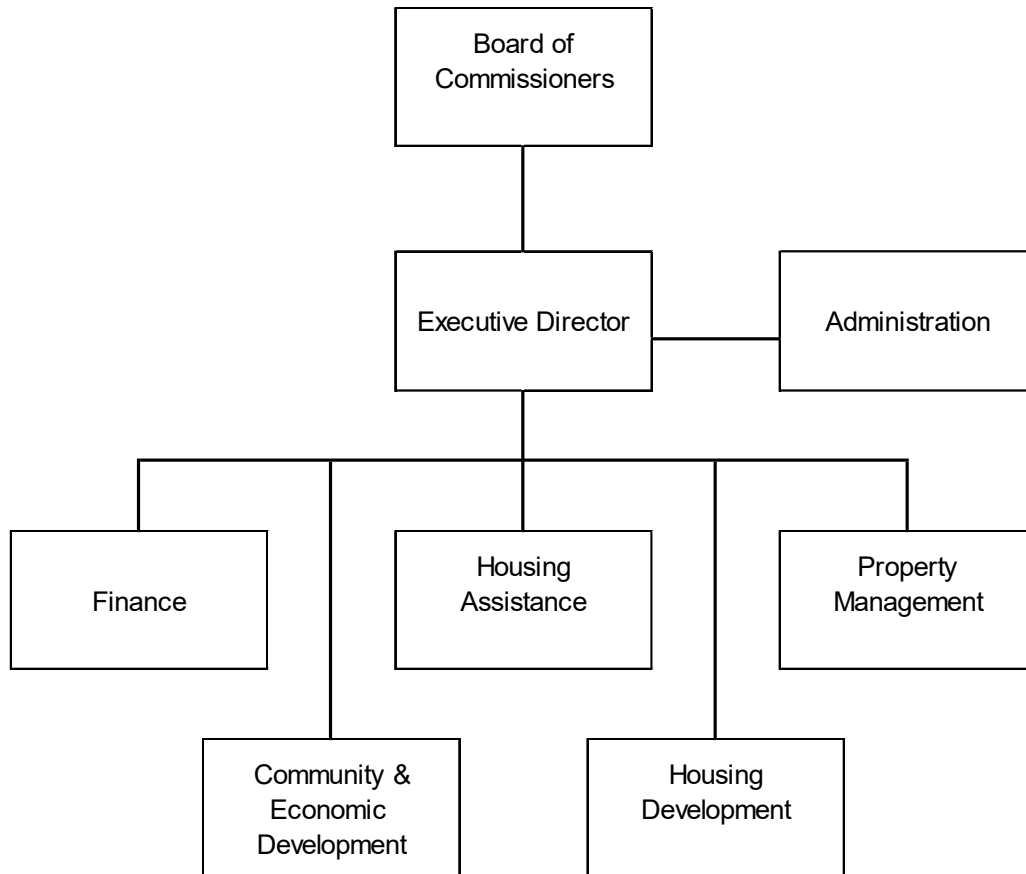
February 1 - 28	Budget estimate forms and instructions are distributed to each Department Head.
March 1 - 31	Departments prepare estimates of revenues and expenses for the next budget period. Completed budget estimates are submitted to the Finance Director.
April 1 - 30	The Executive Director and Finance Director meet with the departments to make a final determination on the amounts to be recommended to the Board of Commissioners. The proposed budget and the Executive Director's budget message are prepared.
May board meeting	The Executive Director and Department Heads present the recommended budget to the Board of Commissioners for their consideration and review. The budget is formally adopted by board resolution at either the May board meeting or the June board meeting.
June 30	The adopted budget is recorded in the accounting records.
July 1	The budget goes into effect.

OPERATING BUDGET POLICIES AND PROCEDURES

The development of the Dakota County Community Development Agency's budget is based on the following guidelines and policies:

- The primary budgetary objective is to provide the highest possible level of service without impairing the Agency's sound financial condition. Continual efforts will be made to improve productivity, lower costs, and enhance service.
- The budget should be balanced for each fund; total available resources should equal or exceed total anticipated expenses.
- The agency will avoid budgetary procedures that balance the current budget at the expense of meeting future years' obligations.
- The agency will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues & expenses to budgeted amounts.

ORGANIZATIONAL CHART

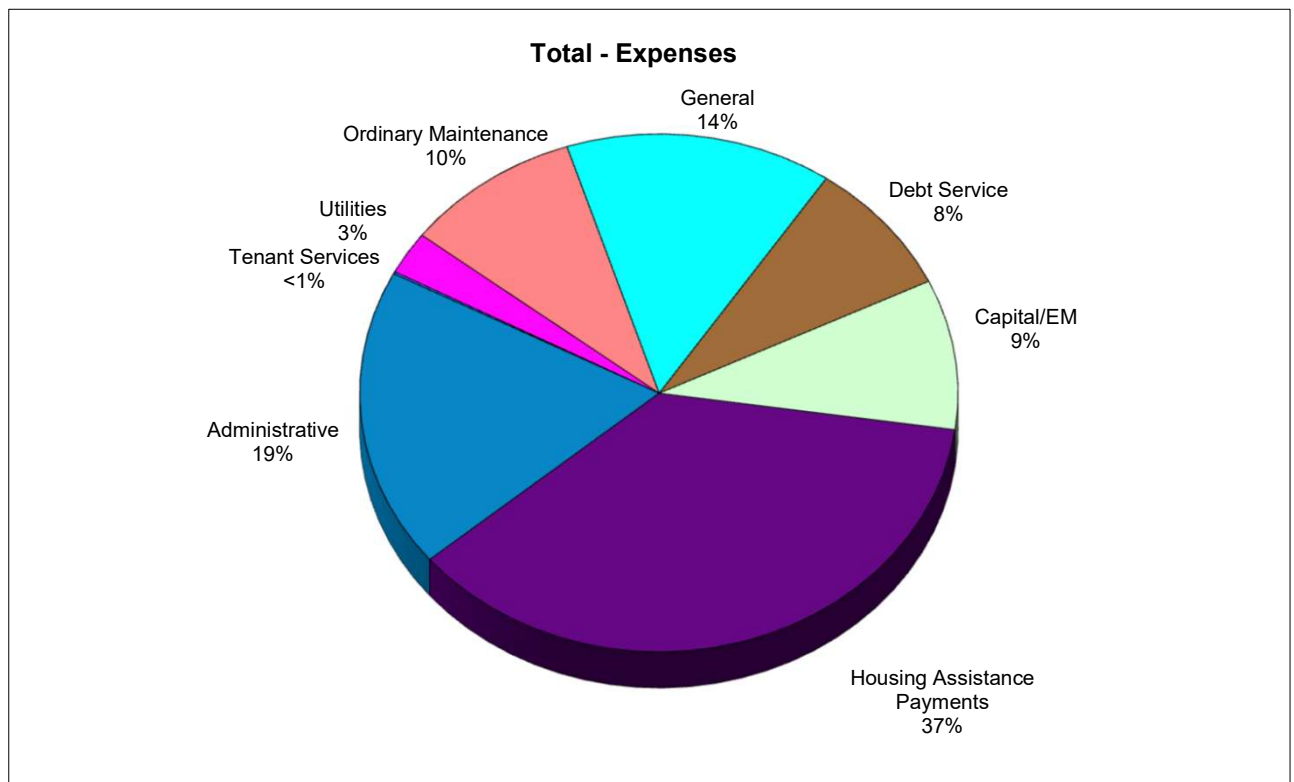
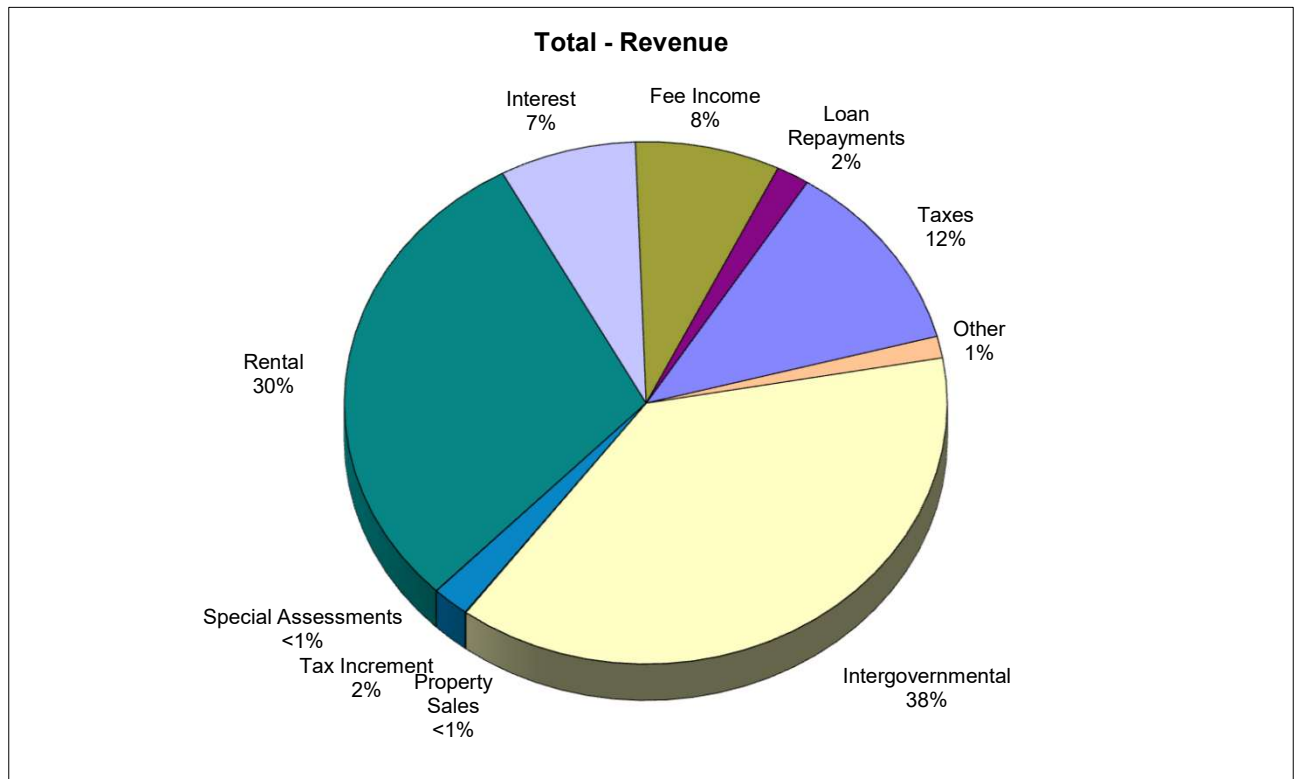


BUDGET SUMMARY

The fiscal year ending June 30, 2026, budget anticipates total revenues of \$96,581,651 and total expenses of \$85,733,190 for a net increase in budget balance of \$10,848,461.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Intergovernmental	\$ 32,596,848	\$ 37,615,094	\$ 35,302,863	\$ 36,662,664
Taxes	9,252,584	9,236,710	10,763,794	11,483,710
Tax increment	1,835,069	1,875,186	1,971,291	1,926,710
Special assessments	37,339	33,865	19,523	18,910
Rental	25,677,178	27,338,172	27,941,764	28,837,293
Interest	4,787,932	9,352,019	8,265,356	7,081,514
Fee income	5,630,415	6,428,698	6,582,261	7,524,067
Loan repayments	1,432,414	2,496,203	2,178,477	1,713,488
Property sales	3,562,820	496,058	4,652,545	40,000
Other	1,836,915	1,771,644	1,154,614	1,293,295
	<u>86,649,514</u>	<u>96,643,649</u>	<u>98,832,488</u>	<u>96,581,651</u>
EXPENSE				
Administrative	11,662,770	12,378,665	14,489,183	16,063,406
Tenant services	165,269	114,151	117,013	117,357
Utilities	2,413,656	2,080,358	2,192,246	2,286,493
Ordinary maintenance	6,992,422	7,172,578	7,860,269	8,217,164
General	5,702,375	7,563,773	6,796,064	12,377,199
Housing assistance payments	28,392,366	28,020,293	31,369,666	31,408,349
Debt service	7,936,349	7,133,607	6,482,686	7,240,622
Capital/extraordinary maintenance	5,807,525	5,756,386	18,340,056	8,022,600
	<u>69,072,732</u>	<u>70,219,811</u>	<u>87,647,183</u>	<u>85,733,190</u>
Increase (decrease) in budget balance before transfers	17,576,782	26,423,838	11,185,305	10,848,461
TRANSFERS IN (OUT)	-	-	-	-
Increase (decrease) in budget balance	17,576,782	26,423,838	11,185,305	10,848,461
BEGINNING BUDGET BALANCE	171,957,044	189,872,096	217,150,406	228,335,711
LLC merger adjustment	338,270	854,472	-	-
ENDING BUDGET BALANCE	<u>\$ 189,872,096</u>	<u>\$ 217,150,406</u>	<u>\$ 228,335,711</u>	<u>\$ 239,184,172</u>

BUDGET SUMMARY - GRAPH



AUTHORIZED FULL-TIME POSITIONS

	Actual FYE 2024	Budget FYE 2025	Budget FYE 2026
ADMINISTRATION			
Executive Director	1.00	1.00	1.00
Director of Administration & Communications	1.00	1.00	1.00
Assistant Director of Administration	1.00	1.00	1.00
Human Resources Administrator	1.00	1.00	1.00
Network Administrator	1.00	1.00	1.00
Software/Network Manager	-	1.00	0.27
Administrative Coordinator	1.00	1.00	1.00
	6.00	7.00	6.27
COMMUNITY & ECONOMIC DEVELOPMENT			
Director of Community & Econ Dev	1.00	1.00	1.00
Assistant Director of Community & Econ Dev	1.00	1.00	1.00
Program Manager	1.00	1.00	1.00
Housing Finance Manager	1.00	1.00	1.00
CD Coordinator	1.00	1.00	1.00
Housing Rehab Coordinator	1.00	1.00	1.00
Housing Rehab Specialist	1.00	2.00	2.00
Weatherization Coordinator	1.00	1.00	1.00
Weatherization Specialist	1.83	2.00	2.00
Homeownership Specialist	2.00	2.00	1.60
Program Support Assistant	1.85	2.00	2.00
Summer Intern	0.06	0.10	-
	13.74	15.10	14.60
FINANCE			
Director of Finance	1.00	1.00	1.00
Assistant Director of Finance	1.00	1.00	1.00
Financial Analyst	-	1.00	1.00
Senior Accountant	3.00	3.00	3.00
Accountant	3.00	3.00	3.00
Accounting Specialist	2.00	2.00	2.00
	10.00	11.00	11.00
HOUSING DEVELOPMENT			
Deputy Executive Director	1.00	1.00	1.00
Capital Projects Manager	4.00	4.00	4.00
Real Estate Manager	1.00	1.00	1.00
Housing Finance Manager	-	0.75	1.00
	6.00	6.75	7.00

AUTHORIZED FULL-TIME POSITIONS – cont'd

	Actual FYE 2024	Budget FYE 2025	Budget FYE 2026
HOUSING ASSISTANCE			
Director of Housing Assistance	1.00	1.00	1.00
Assistant Director of Housing Assistance	1.00	1.00	1.00
Program Coordinator	1.80	1.80	1.80
Compliance and Landlord Relations Manager	1.00	1.00	1.00
Housing Specialist	8.28	9.75	9.75
Housing Stability Specialist	1.00	1.00	1.00
Housing Associate	1.60	2.00	2.00
HQS Inspector	0.25	0.25	0.25
Program Support Assistant	-	1.00	1.00
Office Support Assistant	1.00	0.50	1.00
Limited Term Summer Intern	0.23	0.13	-
	17.16	19.43	19.80
PROPERTY MANAGEMENT			
Director of Property Management	1.00	1.00	1.00
Assistant Director of Property Management	1.00	1.00	1.00
Program Manager	1.00	1.00	1.00
Property Manager	9.00	9.00	9.00
Assistant Property Manager	6.00	5.70	5.00
Program Support Assistant	2.75	2.00	3.00
Office Support Assistant	0.70	2.00	1.00
Limited Term Summer Intern	0.78	0.96	-
Maintenance Manager	1.00	1.00	1.00
Facilities Contract Mgr/Contract Services Mgr	1.00	1.00	1.00
Maintenance Operations Coordinator	-	0.30	1.00
Maintenance Technician III	1.00	1.00	1.00
Maintenance Technician II	3.00	2.00	4.00
Maintenance Technician I	11.92	13.00	11.00
Preventive Maintenance Tech	1.00	1.00	1.00
Limited Term Summer Maint Intern	0.07	0.22	0.20
Site Attendant/Caretaker	7.76	8.16	6.81
Relief Caretaker/Site Attendant	3.30	3.74	3.84
	52.28	54.08	51.85
TOTAL POSITIONS	105.18	113.36	110.52

HOUSING DEVELOPMENT & RENEWAL

Housing Development & Renewal (HD&R) is used to account for resources that are not legally obligated, or by sound financial management, required to be accounted for in another program. Some of the programs in HD&R include the first-time homebuyer program, conduit debt financing, low-income housing tax credit sub allocator, land acquisition, limited partner financing, economic development, and redevelopment incentive grants.

Revenues consist primarily of loan repayments and property sales. Expenses relate to HD&R activities, first-time homebuyer program, economic development, redevelopment incentive grant and land banking. Transfers in of \$1,117,378 are from Levy to fund the general expenses of economic development and redevelopment incentive grant. Transfers out are \$999,167 for Workforce Housing LLC debt service payments.

The projected budget balance of \$19,804,848 is designated for future housing, development & renewal activities. A further breakdown of locally funded housing and community development programs is provided in Appendix A.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Intergovernmental	\$ 500,000	\$ 156,941	\$ 206,000	\$ 215,714
Interest	104,372	152,972	130,000	100,000
Fee Income	582,510	1,237,994	765,920	833,163
Loan repayments	1,369,395	1,356,209	1,379,832	1,713,488
Property sales	-	217,708	1,258,420	40,000
Other	147,254	3,176	4,400	-
	<u>2,703,531</u>	<u>3,125,000</u>	<u>3,744,572</u>	<u>2,902,365</u>
EXPENSE				
Administrative	704,091	784,060	1,002,828	1,279,138
Utilities	892	1,363	350	1,500
Ordinary maintenance	12,250	23,015	27,385	27,465
General	1,445,265	578,484	1,049,037	1,117,500
Capital expenditures	1,061,845	814,080	2,553	-
	<u>3,224,343</u>	<u>2,201,002</u>	<u>2,082,153</u>	<u>2,425,603</u>
Increase (decrease) in budget balance before transfers	(520,812)	923,998	1,662,419	476,762
TRANSFERS IN (OUT)	<u>8,848</u>	<u>(36,496)</u>	<u>(172,809)</u>	<u>118,211</u>
Increase (decrease) in budget balance	(511,964)	887,502	1,489,610	594,973
BEGINNING BUDGET BALANCE	17,344,727	16,832,763	17,720,265	19,209,875
ENDING BUDGET BALANCE	<u>\$ 16,832,763</u>	<u>\$ 17,720,265</u>	<u>\$ 19,209,875</u>	<u>\$ 19,804,848</u>

HOUSING DEVELOPMENT & RENEWAL - EXPENSES

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
ADMINISTRATION				
Administrative				
Administrative	\$ 151,413	\$ 140,623	\$ 181,119	\$ 214,920
COMMUNITY & ECONOMIC DEV				
Administrative				
Administrative	356,466	408,442	510,391	468,621
General	500,000	-	1,750	-
	856,466	408,442	512,141	468,621
First-time homebuyer program				
Administrative	9,335	659	-	-
General	2,882	2,310	-	-
	12,217	2,969	-	-
Economic development				
Administrative	47,182	57,308	79,015	159,490
General	264,309	229,970	247,500	412,500
	311,491	287,278	326,515	571,990
Redevelopment incentive grant				
Administrative	6,652	12,226	40,289	45,388
General	-	200,000	525,000	500,000
	6,652	212,226	565,289	545,388
Local weatherization				
Administrative	737	12,165	31,502	15,714
General	129,561	146,172	270,000	200,000
	130,298	158,337	301,502	215,714
LAHA cities				
Administrative	-	-	-	166,201
	1,317,124	1,069,252	1,705,447	1,967,914
HOUSING DEVELOPMENT				
Administrative				
Administrative	43,872	56,092	71,683	80,902
Land banking				
Administrative	88,088	96,250	87,808	126,963
General	547,904	-	-	-
Capital expenditures	1,061,845	814,080	2,553	-
	1,697,837	910,330	90,361	126,963
	1,741,709	966,422	162,044	207,865
PROPERTY MANAGEMENT				
Land holding costs				
Administrative	346	295	1,021	939
Utilities	892	1,363	350	1,500
Ordinary maintenance	12,250	23,015	27,385	27,465
General	609	32	4,787	5,000
	14,097	24,705	33,543	34,904
	\$ 3,224,343	\$ 2,201,002	\$ 2,082,153	\$ 2,425,603

REAL ESTATE OPERATIONS

Real Estate Operations (REO) is used to account for resources that are not legally obligated, or by sound financial management, required to be accounted for in another fund. Some of the programs in REO include construction management, property management, capital/extraordinary maintenance management, asset management, partnership management and to hold funds released from rental financing structures.

Revenues consist primarily of management fees generated from the rental properties. Expenses are for the development and management of these rental properties.

The projected budget balance of \$80,389,209 is designated for future real estate operations activities.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Fee Income	\$ 4,516,803	\$ 4,550,673	\$ 4,948,639	\$ 5,788,269
Interest	1,713,664	4,562,101	3,800,000	3,000,000
Other	237,869	61,719	47,327	51,246
	<u>6,468,336</u>	<u>9,174,493</u>	<u>8,795,966</u>	<u>8,839,515</u>
EXPENSE				
Administrative	2,492,582	2,558,556	3,517,271	3,990,868
Ordinary maintenance	29,814	-	-	-
General	13,211	15,443	18,000	18,000
Capital/extraordinary maintenance	-	113,517	7,746,000	58,000
	<u>2,535,607</u>	<u>2,687,516</u>	<u>11,281,271</u>	<u>4,066,868</u>
Increase (decrease) in budget balance before transfers	3,932,729	6,486,977	(2,485,305)	4,772,647
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	3,932,729	6,486,977	(2,485,305)	4,772,647
BEGINNING BUDGET BALANCE	<u>67,682,161</u>	<u>71,614,890</u>	<u>78,101,867</u>	<u>75,616,562</u>
ENDING BUDGET BALANCE	<u>\$ 71,614,890</u>	<u>\$ 78,101,867</u>	<u>\$ 75,616,562</u>	<u>\$ 80,389,209</u>

REAL ESTATE OPERATIONS – EXPENSES

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
ADMINISTRATION				
Administrative				
Administrative	\$ 926,162	\$ 1,053,073	\$ 1,065,640	\$ 1,157,388
Indirect cost allocation	(926,162)	(1,053,073)	(1,065,640)	(1,157,388)
	-	-	-	-
Property management				
Administrative	97,490	62,350	168,685	158,789
General	-	627	3,000	2,000
	97,490	62,977	171,685	160,789
	97,490	62,977	171,685	160,789
FINANCE				
Administrative				
Administrative	1,188,584	1,259,269	1,372,845	1,455,512
Indirect cost allocation	(1,188,584)	(1,259,269)	(1,372,845)	(1,455,512)
	-	-	-	-
Property management				
Administrative	3,296	526	23,890	146,217
	3,296	526	23,890	146,217
NONDEPARTMENTAL				
Administrative	34,652	35,376	35,615	38,000
General	22,974	21,922	25,000	32,000
Capital/extraordinary maint.	-	113,517	16,000	58,000
	57,626	170,815	76,615	128,000
Indirect cost allocation	(57,626)	(57,298)	(60,615)	(70,000)
	-	113,517	16,000	58,000
HOUSING DEVELOPMENT				
Administrative				
Administrative	169,693	158,953	236,579	443,078
General	13,211	14,816	15,000	16,000
Capital/extraordinary maint.	-	-	7,730,000	-
	182,904	173,769	7,981,579	459,078
Common Bond development				
Administrative	2,305	39,587	56,993	43,155
Workforce development				
Administrative	-	1,376	69,867	31,532
EM management				
Administrative	592,447	617,146	665,562	711,805
	777,656	831,878	8,774,001	1,245,570

REAL ESTATE OPERATIONS – EXPENSES – cont'd

	Actual FYE 2023	Actual FYE 2024	Budget FYE 2025	Budget FYE 2026
PROPERTY MANAGEMENT				
Common Bond pre-leasing				
Administrative	-	836	28,946	19,682
Workforce pre-leasing				
Administrative	-	-	10,066	6,561
Property management				
Administrative	1,627,351	1,677,782	2,256,683	2,430,049
Ordinary maintenance	29,814	-	-	-
	<u>1,657,165</u>	<u>1,677,782</u>	<u>2,256,683</u>	<u>2,430,049</u>
	1,657,165	1,678,618	2,295,695	2,456,292
	<u>\$ 2,535,607</u>	<u>\$ 2,687,516</u>	<u>\$ 11,281,271</u>	<u>\$ 4,066,868</u>

HIA LOANS

HIA Loans accounts for the receipt and expenditure of resources established by two Housing Improvement Areas (HIA). The first was the Niakwa Village Second Addition HIA in May 2014 and the second was the Town Homes at Wildwood Pond HIA in June 2014. For each HIA, the CDA entered into a development fee with the respective homeowner association to fund housing improvements using Housing Development & Renewal Fund and HOPE Fund resources which will be repaid through the imposition of Housing Improvement Fees (special assessments) against the homeowners.

Budgeted revenues consist exclusively of special assessments. Budgeted expenses are comprised of administrative and interest costs that are associated with the Housing Improvement Areas.

The projected budget balance of (\$3,720) represents expenses that will be repaid through the imposition of special assessments.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Special Assessments	\$ 37,339	\$ 33,865	\$ 19,523	\$ 18,910
EXPENSE				
Administrative	845	953	1,164	203
General	5,588	4,281	3,538	2,935
	<u>6,433</u>	<u>5,234</u>	<u>4,702</u>	<u>3,138</u>
Increase (decrease) in budget balance before transfers	30,906	28,631	14,821	15,772
TRANSFERS IN (OUT)	-	-	-	-
Increase (decrease) in budget balance	30,906	28,631	14,821	15,772
BEGINNING BUDGET BALANCE	(93,850)	(62,944)	(34,313)	(19,492)
ENDING BUDGET BALANCE	<u>\$ (62,944)</u>	<u>\$ (34,313)</u>	<u>\$ (19,492)</u>	<u>\$ (3,720)</u>

HOPE

HOPE accounts for the receipt and expenditure of resources dedicated towards the Housing Opportunities Enhancement Fund. Revenues consist of loan repayments and interest revenue. Expenses are for the development, acquisition and rehabilitation, and acquisition and preservation of multifamily rental and single-family homeownership housing within Dakota County. Transfers in consist of the tax revenues collected in Levy.

The projected budget balance of \$5,163,524 is restricted for future HOPE-related expenses. A further breakdown of locally funded housing and community development programs is provided in Appendix A.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Interest	\$ 181,966	\$ 262,518	\$ 210,575	\$ 202,638
Loan repayments	63,019	214,994	510,000	-
Other	16,500	53,029	10,000	10,000
	<u>261,485</u>	<u>530,541</u>	<u>730,575</u>	<u>212,638</u>
EXPENSE				
Administrative	26,676	58,750	121,411	106,534
General	1,090,020	2,527,019	1,888,060	2,083,220
	<u>1,116,696</u>	<u>2,585,769</u>	<u>2,009,471</u>	<u>2,189,754</u>
Increase (decrease) in budget balance before transfers	(855,211)	(2,055,228)	(1,278,896)	(1,977,116)
TRANSFERS IN (OUT)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Increase (decrease) in budget balance	644,789	(555,228)	221,104	(477,116)
BEGINNING BUDGET BALANCE	5,329,975	5,974,764	5,419,536	5,640,640
ENDING BUDGET BALANCE	<u>\$ 5,974,764</u>	<u>\$ 5,419,536</u>	<u>\$ 5,640,640</u>	<u>\$ 5,163,524</u>

LEVY

Levy accounts for the receipt and expenditure of the Agency's tax levy. Revenues consist primarily of tax receipts and interest income. Expenses are restricted for senior housing development and rental subsidies. Transfers out consist of debt service payments of \$5,600,000 pledged towards bonds issued to finance the construction of senior housing developments, \$2,617,378 of tax revenue collected for the HOPE Fund & Housing Redevelopment & Renewal, housing assistance of \$52,490 for Lincoln Place, and operating subsidy of \$48,292 for Nicols Pointe.

The projected budget balance of \$17,975,781 is designated for future levy-supported expenses. A further breakdown of locally funded housing and community development programs is provided in Appendix A.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Taxes	\$ 9,252,584	\$ 9,236,710	\$ 10,763,794	\$ 11,483,710
Intergovernmental	13,723	12,368	12,826	11,000
Interest	333,318	537,985	521,014	596,466
	<u>9,599,625</u>	<u>9,787,063</u>	<u>11,297,634</u>	<u>12,091,176</u>
EXPENSE				
Capital outlay	-	-	-	-
Increase (decrease) in budget balance before transfers	9,599,625	9,787,063	11,297,634	12,091,176
TRANSFERS IN (OUT)	<u>(7,469,523)</u>	<u>(7,648,437)</u>	<u>(8,042,461)</u>	<u>(8,318,160)</u>
Increase (decrease) in budget balance	2,130,102	2,138,626	3,255,173	3,773,016
BEGINNING BUDGET BALANCE	<u>6,678,864</u>	<u>8,808,966</u>	<u>10,947,592</u>	<u>14,202,765</u>
ENDING BUDGET BALANCE	<u>\$ 8,808,966</u>	<u>\$ 10,947,592</u>	<u>\$ 14,202,765</u>	<u>\$ 17,975,781</u>

TAX INCREMENT FINANCING

Tax Increment Financing accounts for the receipt and expense of tax increment revenues across 9 tax increment districts. Revenues consist primarily of tax increment receipts, interest income and loan repayments. Expenses are for administration and housing and redevelopment expenses that are consistent with State law. A further breakdown of expenses and transfers by district is provided in Appendix B.

The projected budget balance of \$10,613,531 is restricted by tax increment district for future TIF-related expenses. A breakdown of this budget balance by district is provided in Appendix B.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Tax increment	\$ 1,835,069	\$ 1,875,186	\$ 1,971,291	\$ 1,926,710
Interest	409,134	650,411	599,753	561,285
Loan repayments	-	925,000	288,645	-
	<u>2,244,203</u>	<u>3,450,597</u>	<u>2,859,689</u>	<u>2,487,995</u>
EXPENSE				
Administrative	44,337	47,985	62,532	66,260
General	126,168	1,378,213	190,566	5,106,869
Capital outlay	102,294	67,559	407,149	-
	<u>272,799</u>	<u>1,493,757</u>	<u>660,247</u>	<u>5,173,129</u>
Increase (decrease) in budget balance before transfers	1,971,404	1,956,840	2,199,442	(2,685,134)
TRANSFERS IN (OUT)	<u>(313,519)</u>	<u>(547,219)</u>	<u>(1,903,069)</u>	<u>(448,000)</u>
Increase (decrease) in budget balance	1,657,885	1,409,621	296,373	(3,133,134)
BEGINNING BUDGET BALANCE	10,382,786	12,040,671	13,450,292	13,746,665
ENDING BUDGET BALANCE	<u>\$ 12,040,671</u>	<u>\$ 13,450,292</u>	<u>\$ 13,746,665</u>	<u>\$ 10,613,531</u>

COMMON BOND HOUSING

Common Bond Housing accounts for the operation of the CDA's bond financed developments. Revenues consist primarily of user charges to tenants and interest earned on operating and CDA-held reserve accounts. Expenses are for the administration, operation and financing of these developments. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of debt service payments and capital/extraordinary maintenance expenses from TIF for District 8 & 11.

The projected budget balance of \$55,826,398 includes an operating reserve and a repair and replacement reserve. The entire budget balance is restricted by the bond indenture for program related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 17,440,863	\$ 18,576,238	\$ 18,958,754	\$ 19,549,275
Interest	1,567,689	2,405,007	2,325,000	2,025,000
Fee income	136,225	126,102	344,234	344,234
Other	614,703	753,447	39,873	28,636
	<u>19,759,480</u>	<u>21,860,794</u>	<u>21,667,861</u>	<u>21,947,145</u>
EXPENSE				
Administrative	3,509,263	3,787,851	3,974,141	4,158,750
Tenant services	53,649	-	-	-
Utilities	1,678,348	1,372,322	1,427,215	1,484,303
Ordinary maintenance	4,326,328	4,369,143	4,805,328	5,057,090
General	1,800,267	1,914,828	2,329,976	2,609,640
Debt service (paid to Trust)	6,239,894	6,013,103	5,804,127	5,704,141
Capital/extraordinary maintenance	3,407,734	3,905,133	6,796,311	3,559,500
	<u>21,015,483</u>	<u>21,362,380</u>	<u>25,137,098</u>	<u>22,573,424</u>
Increase (decrease) in budget balance before transfers	(1,256,003)	498,414	(3,469,237)	(626,279)
TRANSFERS IN (OUT)	<u>5,913,519</u>	<u>6,147,219</u>	<u>6,441,525</u>	<u>5,763,000</u>
Increase (decrease) in budget balance	4,657,516	6,645,633	2,972,288	5,136,721
BEGINNING BUDGET BALANCE	<u>36,414,240</u>	<u>41,071,756</u>	<u>47,717,389</u>	<u>50,689,677</u>
ENDING BUDGET BALANCE	<u>\$ 41,071,756</u>	<u>\$ 47,717,389</u>	<u>\$ 50,689,677</u>	<u>\$ 55,826,398</u>
AVERAGE UNITS PER MONTH	1,785	1,785	1,785	1,785

HOUSING ASSISTANCE

Housing Assistance acts as a roll-up for several grant and levy-funded housing assistance payments funds. HUD-funded grants include the Section 8 Housing Choice Voucher (HCV) fund which also includes the Family Unification Fund (FUP) and Veterans' Affairs Supportive Housing (VASH) as well as the Mainstream Program, and Emergency Housing Vouchers (EHV). Locally funded grants include the Dakota County Voucher Rental Assistance Program (DCVRAP). Levy funds are used to support Lincoln Place and other locally funded initiatives.

Revenues consist primarily of grant reimbursements to the CDA for housing assistance payments made on behalf of qualified fund participants and administrative fees earned or administrative costs reimbursed. Expenses are for housing assistance payments and related fund administrative costs. Transfers in are from Levy are to fund the housing assistance payments and administrative costs for the locally funded initiatives. Transfers out consist of capital/extraordinary maintenance expenses for the CDA Office Building.

The projected budget balance of \$4,689,130 is restricted by HUD.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Intergovernmental	\$ 31,607,799	\$ 31,293,426	\$ 34,765,343	\$ 34,312,256
Interest	151,675	271,013	250,000	172,454
Fee income	156,770	218,172	253,754	279,976
Other	117,762	155,470	170,000	140,000
	<u>32,034,006</u>	<u>31,938,081</u>	<u>35,439,097</u>	<u>34,904,686</u>
EXPENSE				
Administrative	2,899,951	3,009,754	3,400,300	3,817,416
Tenant services	6,622	3,651	93	-
General	-	-	50,000	10,000
Housing assistance payments	28,392,366	28,020,293	31,369,666	31,408,349
	<u>31,298,939</u>	<u>31,033,698</u>	<u>34,820,059</u>	<u>35,235,765</u>
Increase (decrease) in budget balance before transfers	735,067	904,383	619,038	(331,079)
TRANSFERS IN (OUT)	<u>51,380</u>	<u>48,933</u>	<u>(318,785)</u>	<u>(127,510)</u>
Increase (decrease) in budget balance	786,447	953,316	300,253	(458,589)
BEGINNING BUDGET BALANCE	<u>3,107,703</u>	<u>3,894,150</u>	<u>4,847,466</u>	<u>5,147,719</u>
ENDING BUDGET BALANCE	<u>\$ 3,894,150</u>	<u>\$ 4,847,466</u>	<u>\$ 5,147,719</u>	<u>\$ 4,689,130</u>
AVERAGE UNITS PER MONTH	2,922	2,850	2,892	2,901

NICOLS POINTE

Nicols Pointe is used to account for the operation of a 24-unit development in Eagan which includes affordable housing for seniors with a preference for Veterans. The building opened in September 2024.

Revenues consist of rents charged to tenants and interest earned on operating and CDA-held reserve accounts. Expenses are for the administration and operation of this development. Transfers in consist of operating subsidy from Levy.

The projected budget balance of \$5,840,939 is expected to be used for future operating and capital costs for the development.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ -	\$ -	\$ 104,033	\$ 153,308
Intergovernmental	-	5,816,041	-	-
Interest	-	-	-	-
Fee income	-	456	7,935	16,646
Other	-	-	-	939
	-	5,816,497	111,968	170,893
EXPENSE				
Administrative	-	259	36,067	58,336
Utilities	-	-	15,099	23,605
Ordinary maintenance	-	-	57,530	70,965
General	-	-	18,021	26,829
	-	259	126,717	179,735
Increase (decrease) in budget balance before transfers	-	5,816,238	(14,749)	(8,842)
TRANSFERS IN (OUT)	-	-	-	48,292
Increase (decrease) in budget balance	-	5,816,238	(14,749)	39,450
BEGINNING BUDGET BALANCE	-	-	5,816,238	5,801,489
ENDING BUDGET BALANCE	\$ -	\$ 5,816,238	\$ 5,801,489	\$ 5,840,939
AVERAGE UNITS PER MONTH	-	-	24	24

PUBLIC HOUSING

Public Housing Fund is used to account for the operation of the federally funded Public Housing fund. Revenues consist primarily of user charges to tenants and federal subsidy from the U.S. Department of Housing and Urban Development (HUD). Expenses are for the administration of the fund and the operating costs related to the housing projects. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of capital/extraordinary maintenance expenses from TIF for District 11.

The projected budget balance of \$7,982,482 is restricted by HUD to be used for Public Housing related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 1,340,486	\$ 1,476,715	\$ 1,521,292	\$ 1,567,206
Intergovernmental	325,326	186,318	168,694	168,694
Interest	243,719	390,810	327,605	327,605
Fee income	50,981	63,161	47,112	47,112
Other	13,307	10,502	10,502	10,502
	<u>1,973,819</u>	<u>2,127,506</u>	<u>2,075,205</u>	<u>2,121,119</u>
EXPENSE				
Administrative	321,386	332,520	354,011	379,899
Tenant services	4,998	10,500	10,920	11,357
Utilities	179,243	167,662	186,153	195,460
Ordinary maintenance	790,337	750,389	783,970	824,362
General	283,297	262,461	278,546	310,139
Capital/extraordinary maintenance	(3,562)	25,239	-	318,000
	<u>1,575,699</u>	<u>1,548,771</u>	<u>1,613,600</u>	<u>2,039,217</u>
Increase (decrease) in budget balance before transfers	398,120	578,735	461,605	81,902
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Increase (decrease) in budget balance	398,120	578,735	461,605	151,902
BEGINNING BUDGET BALANCE	<u>6,392,120</u>	<u>6,790,240</u>	<u>7,368,975</u>	<u>7,830,580</u>
ENDING BUDGET BALANCE	<u>\$ 6,790,240</u>	<u>\$ 7,368,975</u>	<u>\$ 7,830,580</u>	<u>\$ 7,982,482</u>
AVERAGE UNITS PER MONTH	203	203	203	203

SECTION 18 LLC

Section 18 LLC is used to account for the operation of housing units that were released from the Public Housing program through a Section 18 disposition. These units no longer receive any Public Housing operating subsidy or capital funding. Revenues consist primarily of user charges to tenants and housing assistance payments from the U.S. Department of Housing and Urban Development (HUD). Expenses are for the operating and capital costs related to the housing units. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C.

The projected budget balance of \$16,024,236 is restricted for future operating and capital costs associated with these former Public Housing units.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 1,644,121	\$ 1,457,537	\$ 1,288,685	\$ 1,255,330
Fee income	47,169	58,660	41,312	41,312
Property sales	3,562,820	278,350	3,394,125	-
Other	953	8,495	3,125	3,125
	<u>5,255,063</u>	<u>1,803,042</u>	<u>4,727,247</u>	<u>1,299,767</u>
EXPENSE				
Administrative	198,732	196,010	212,274	186,040
Utilities	75,844	65,862	68,692	69,592
Ordinary maintenance	303,247	323,654	404,987	361,337
General	172,073	172,170	179,145	193,418
Capital/extraordinary maintenance	-	67,869	518,000	430,000
	<u>749,896</u>	<u>825,565</u>	<u>1,383,098</u>	<u>1,240,387</u>
Increase (decrease) in budget balance before transfers	4,505,167	977,477	3,344,149	59,380
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	4,505,167	977,477	3,344,149	59,380
BEGINNING BUDGET BALANCE	<u>7,138,063</u>	<u>11,643,230</u>	<u>12,620,707</u>	<u>15,964,856</u>
ENDING BUDGET BALANCE	<u>\$ 11,643,230</u>	<u>\$ 12,620,707</u>	<u>\$ 15,964,856</u>	<u>\$ 16,024,236</u>
AVERAGE UNITS PER MONTH	86	85	72	70

WORKFORCE HOUSING LLC

Workforce Housing LLC is used to account for the operation of townhome developments which were previously operated as separate entities owned by limited partnerships in which the CDA was the general partner.

This fund includes 12 townhome developments wholly owned by the CDA in the FYE 2026 budget. Revenues consist of rents charged to tenants. Expenses are the operating, capital and debt service costs related to the housing projects. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of Oak Ridge debt service payments from Housing Development & Renewal and capital/extraordinary maintenance expenses from TIF for District 11.

The projected budget balance of \$9,539,375 includes the development's operating and repair and replacement reserves. The entire budget balance is expected to be used for townhome related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 4,101,074	\$ 4,257,894	\$ 4,428,210	\$ 4,605,338
Intergovernmental	-	-	-	1,805,000
Interest	59,070	81,673	68,296	62,273
Fee income	92,460	125,190	125,190	125,190
Other	12,643	20,564	20,564	20,564
	<u>4,265,247</u>	<u>4,485,321</u>	<u>4,642,260</u>	<u>6,618,365</u>
EXPENSE				
Administrative	812,137	854,955	914,964	952,391
Utilities	299,640	282,642	293,948	305,706
Ordinary maintenance	1,080,850	1,124,672	1,165,640	1,237,392
General	600,900	526,650	576,379	647,507
Debt service	1,309,837	834,018	568,074	1,425,995
Capital/extraordinary maintenance	614,790	448,364	2,250,048	3,054,500
	<u>4,718,154</u>	<u>4,071,301</u>	<u>5,769,053</u>	<u>7,623,491</u>
Increase (decrease) in budget balance before transfers	(452,907)	414,020	(1,126,793)	(1,005,126)
TRANSFERS IN (OUT)	<u>9,045</u>	<u>360,000</u>	<u>1,224,044</u>	<u>1,214,167</u>
Increase (decrease) in budget balance	(443,862)	774,020	97,251	209,041
BEGINNING BUDGET BALANCE	<u>8,902,925</u>	<u>8,459,063</u>	<u>9,233,083</u>	<u>9,330,334</u>
ENDING BUDGET BALANCE	<u>\$ 8,459,063</u>	<u>\$ 9,233,083</u>	<u>\$ 9,330,334</u>	<u>\$ 9,539,375</u>
AVERAGE UNITS PER MONTH	364	364	364	364

WORKFORCE HOUSING II LLC

Workforce Housing II LLC is used to account for the operation of townhome developments which were previously operated as separate entities owned by limited partnerships in which the CDA was the general partner.

This fund includes 4 townhome developments wholly owned by the CDA in the FYE 2026 budget. Revenues consist of rents charged to tenants. Expenses are the operating, capital and debt service costs related to the housing projects. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C.

The projected budget balance of \$4,481,111 includes the development's operating and repair and replacement reserves. The entire budget balance is expected to be used for townhome related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 1,013,524	\$ 1,402,487	\$ 1,458,587	\$ 1,516,930
Interest	1,338	2,712	2,101	1,780
Fee income	38,657	39,841	39,841	39,841
Other	1,014	4,025	4,025	4,025
	<u>1,054,533</u>	<u>1,449,065</u>	<u>1,504,554</u>	<u>1,562,576</u>
EXPENSE				
Administrative	216,283	294,326	315,638	328,871
Utilities	84,906	106,196	110,444	114,862
Ordinary maintenance	253,449	384,781	399,286	421,847
General	118,889	141,825	152,469	172,283
Debt service	386,618	286,486	110,485	110,486
Capital/extraordinary maintenance	407,108	140,791	230,553	227,600
	<u>1,467,253</u>	<u>1,354,405</u>	<u>1,318,875</u>	<u>1,375,949</u>
Increase (decrease) in budget balance before transfers	(412,720)	94,660	185,679	186,627
TRANSFERS IN (OUT)	<u>300,250</u>	<u>176,000</u>	<u>902,113</u>	<u>-</u>
Increase (decrease) in budget balance	(112,470)	270,660	1,087,792	186,627
BEGINNING BUDGET BALANCE	1,855,760	2,081,560	3,206,692	4,294,484
Merger adjustment	338,270	854,472	-	-
ENDING BUDGET BALANCE	<u>\$ 2,081,560</u>	<u>\$ 3,206,692</u>	<u>\$ 4,294,484</u>	<u>\$ 4,481,111</u>
AVERAGE UNITS PER MONTH	91	123	123	123

YOUTH HOUSING

Youth Housing is used to account for the operation of Lincoln Place, a 25-unit development in Eagan which includes 24 units of supportive housing for young adults.

Revenues consist of rents charged to tenants and grants from Minnesota Housing to support the front desk operation and subsidize the rents of qualified tenants. Expenses are for the administration of the fund and the operating costs related to the development.

The projected budget balance of \$694,787 includes the development's operating and repair and replacement reserves. The entire budget balance is restricted for Youth Housing related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 137,110	\$ 167,301	\$ 182,203	\$ 189,906
Intergovernmental	150,000	150,000	150,000	150,000
Interest	21,987	34,817	31,012	32,013
Fee income	8,840	8,449	8,324	8,324
Other	810	9,520	3,311	3,311
	<u>318,747</u>	<u>370,087</u>	<u>374,850</u>	<u>383,554</u>
EXPENSE				
Administrative	48,644	54,933	66,798	74,273
Tenant services	100,000	100,000	106,000	106,000
Utilities	39,638	32,769	33,140	34,465
Ordinary maintenance	89,820	84,125	91,584	95,146
General	39,326	25,381	39,777	45,221
Capital/extraordinary maintenance	9,062	70,721	-	47,000
	<u>326,490</u>	<u>367,929</u>	<u>337,299</u>	<u>402,105</u>
Increase (decrease) in budget balance before transfers	(7,743)	2,158	37,551	(18,551)
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	(7,743)	2,158	37,551	(18,551)
BEGINNING BUDGET BALANCE	<u>681,372</u>	<u>673,629</u>	<u>675,787</u>	<u>713,338</u>
ENDING BUDGET BALANCE	<u>\$ 673,629</u>	<u>\$ 675,787</u>	<u>\$ 713,338</u>	<u>\$ 694,787</u>
AVERAGE UNITS PER MONTH	25	25	25	25

OFFICE BUILDING

The Office Building is used to account for the costs associated with the operation of the CDA's administrative office in Eagan, Minnesota. Other revenues consist of cost-reimbursements from each department based on the square footage utilized. Expenses are for the administration of the building, including the operation, maintenance and capital costs. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of capital/extraordinary maintenance expenses from Housing Assistance – HCV pre-2004 reserves.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Other	\$ 259,400	\$ 271,069	\$ 306,846	\$ 342,080
EXPENSE				
Administrative	12,886	15,838	16,567	18,664
Utilities	55,145	51,542	57,205	57,000
Ordinary maintenance	106,327	112,799	124,559	121,560
General	7,371	17,018	22,550	33,638
Capital/extraordinary maintenance	208,254	103,113	389,442	253,000
	<u>389,983</u>	<u>300,310</u>	<u>610,323</u>	<u>483,862</u>
Increase (decrease) in budget balance before transfers	(130,583)	(29,241)	(303,477)	(141,782)
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>369,442</u>	<u>180,000</u>
Increase (decrease) in budget balance	(130,583)	(29,241)	65,965	38,218
BEGINNING BUDGET BALANCE	<u>169,335</u>	<u>38,752</u>	<u>9,511</u>	<u>75,476</u>
ENDING BUDGET BALANCE	<u>\$ 38,752</u>	<u>\$ 9,511</u>	<u>\$ 75,476</u>	<u>\$ 113,694</u>

TECHNOLOGY

Technology is used to account for the costs associated with maintaining the Agency's local area network (LAN) and providing software support and document imaging services. The Agency's network consists of 100 office workstations, 64 offsite computers and 7 networked printers.

Other revenue includes cost-reimbursements from each department. For the network each department's cost is based on the number of network peripherals utilized and for software support and document imaging services reimbursement is based on benefit received. Expenses are primarily for staff salaries, benefits and software maintenance. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C.

The deficit budget balance represents capital/extraordinary maintenance expenses that have not yet been recovered through user charges. Real Estate Operations provides working capital to finance these purchases and is repaid as the costs are recovered through user charges.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Other	\$ 414,700	\$ 420,628	\$ 534,641	\$ 678,867
EXPENSE				
Administrative	374,957	381,915	493,217	645,763
Capital/extraordinary maintenance	-	-	-	75,000
	<u>374,957</u>	<u>381,915</u>	<u>493,217</u>	<u>720,763</u>
Increase (decrease) in budget balance before transfers	39,743	38,713	41,424	(41,896)
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	39,743	38,713	41,424	(41,896)
BEGINNING BUDGET BALANCE	(29,137)	10,606	49,319	90,743
ENDING BUDGET BALANCE	<u>\$ 10,606</u>	<u>\$ 49,319</u>	<u>\$ 90,743</u>	<u>\$ 48,847</u>

APPENDIX A

APPENDIX A: COMBINING SCHEDULE - HOUSING DEVELOPMENT & RENEWAL (HD&R), LEVY, AND HOPE
COMBINING SCHEDULE - HOUSING DEVELOPMENT & RENEWAL (HD&R), LEVY, & HOPE
BUDGET FOR YEAR ENDED JUNE 30, 2026

	Locally Funded Housing and Community Development Programs								
	Housing Development & Renewal (HD&R)								Total FYE 2026 Budget
	Housing Finance	LAHA Program	Economic Develop- ment	RIG Program	Land Banking	Total HD&RF	Levy	HOPE	
Revenue:									
Loan repayments	1,713,488	-	-	-	-	1,713,488	-	-	1,713,488
Land sales	-	-	-	-	40,000	40,000	-	-	40,000
Fee income	833,163	-	-	-	-	833,163	-	10,000	843,163
Grants	215,714	-	-	-	-	215,714	-	-	215,714
Tax Levy	-	-	571,990	545,388	-	1,117,378	8,877,332	1,500,000	11,494,710
Interest	100,000	-	-	-	-	100,000	596,466	202,638	899,104
Total Revenue	2,862,365	-	571,990	545,388	40,000	4,019,743	9,473,798	1,712,638	15,206,179
Administrative:									
Salaries and benefits	457,496	126,311	118,317	33,990	54,151	790,265	-	71,983	862,248
Indirect costs	134,517	32,855	30,776	8,841	17,071	224,060	-	18,724	242,784
Legal	61,500	-	1,000	-	7,500	70,000	-	8,500	78,500
Other administrative costs	86,644	7,035	9,397	2,557	8,241	113,874	-	7,327	121,201
Contract costs	40,000	-	-	-	40,000	80,000	-	3,220	83,220
Total Administrative	780,157	166,201	159,490	45,388	126,963	1,278,199	-	109,754	1,387,953
Other Costs:									
<u>Affordable Housing</u>									
Multifamily housing loans	-	-	-	-	-	-	-	1,500,000	1,500,000
Single family housing rehab loans	-	-	-	-	-	-	-	400,000	400,000
Down payment assistance loans	-	-	-	-	-	-	-	180,000	180,000
Vacant lots, planning, maint, other	-	-	-	-	34,904	34,904	-	-	34,904
Local weatherization programs	200,000	-	-	-	-	200,000	-	-	200,000
<u>Community & Economic Development</u>									
Greater MSP	-	-	100,000	-	-	100,000	-	-	100,000
MCCD (CDA portion)	-	-	165,000	-	-	165,000	-	-	165,000
Other economic development costs	-	-	117,500	500,000	-	617,500	-	-	617,500
Second stage business support	-	-	30,000	-	-	30,000	-	-	30,000
Total General	200,000	-	412,500	500,000	34,904	1,147,404	-	2,080,000	3,227,404
Transfers in/(out):									
Transfers to Common Bond Housing	-	-	-	-	-	-	(5,600,000)	-	(5,600,000)
Transfer to Lincoln Place & Nicols Pt	-	-	-	-	-	-	(100,782)	-	(100,782)
Transfer to Workforce Hsg (MHFA, FHF)	(999,167)	-	-	-	-	(999,167)	-	-	(999,167)
Transfer to Office Building	-	-	-	-	-	-	-	-	-
Total Transfers	(999,167)	-	-	-	-	(999,167)	(5,700,782)	-	(6,699,949)
Change in Budget Balance	883,041	(166,201)	-	-	(121,867)	594,973	3,773,016	(477,116)	3,890,873
			Beginning Budget Balance			19,209,875	14,202,765	5,640,640	39,053,280
			Ending Budget Balance			19,804,848	17,975,781	5,163,524	42,944,153

APPENDIX B

APPENDIX B: COMBINING SCHEDULE - TAX INCREMENT DISTRICTS

	District 8	District 9	District 11	District 12	District 13	District 14	District 15	District 16	District 17	Total FYE 2026 Budget
Revenue:										
Tax increment	\$ -	\$ -	\$ 1,492,364	\$ 109,637	\$ 176,282	\$ -	\$ 79,609	\$ 68,818	\$ -	\$ 1,926,710
Interest revenue	2,522	16,056	415,596	46,200	10,761	57,980	10,514	1,656	-	561,285
Total Revenue	2,522	16,056	1,907,960	155,837	187,043	57,980	90,123	70,474	-	2,487,995
Administrative:										
Salaries and benefits	807	807	8,940	2,624	807	807	807	807	454	16,860
Indirect costs	240	240	2,658	780	240	240	240	240	135	5,013
Legal	1,511	2,500	5,500	5,000	1,000	250	200	-	-	15,961
Other administrative costs	639	687	1,549	1,216	109	437	222	117	22	4,998
Contract costs	803	2,500	5,000	2,500	500	2,000	2,500	-	-	15,803
County TIF fee	-	-	4,250	675	675	-	675	675	675	7,625
Total Administrative	4,000	6,734	27,897	12,795	3,331	3,734	4,644	1,839	1,286	66,260
Other Expenses:										
<u>Affordable Housing</u>										
Pay-Go - Legends	-	-	-	-	-	-	55,575	-	-	55,575
Pay-Go - Aster House Apts	-	-	-	-	-	-	-	48,040	-	48,040
Senior Housing allowance	3,254	-	-	-	-	-	-	-	-	3,254
Multifamily Loans	-	-	5,000,000	-	-	-	-	-	-	5,000,000
Total General	3,254	-	5,000,000	-	-	-	55,575	48,040	-	5,106,869
Transfers/Capital Outlay:										
<u>Affordable Housing</u>										
Senior Building EM	103,000	-	60,000	-	-	-	-	-	-	163,000
Workforce Housing EM	-	-	215,000	-	-	-	-	-	-	215,000
Public Housing EM	-	-	70,000	-	-	-	-	-	-	70,000
Total Transfers/Capital Outlay	103,000	-	345,000	-	-	-	-	-	-	448,000
Change in Budget Balance	(107,732)	9,322	(3,464,937)	143,042	183,712	54,246	29,904	20,595	(1,286)	(3,133,134)
Beginning Budget Balance	107,732	608,269	9,924,343	1,172,655	144,947	1,490,633	265,779	37,966	(5,659)	13,746,665
Ending Budget Balance	\$ -	\$ 617,591	\$ 6,459,406	\$ 1,315,697	\$ 328,659	\$ 1,544,879	\$ 295,683	\$ 58,561	\$ (6,945)	\$ 10,613,531

APPENDIX C

**DAKOTA COUNTY CDA
CAPITAL EXPENSES AND EXTRAORDINARY MAINTENANCE PROJECT LISTING
BUDGET FOR YEAR ENDED JUNE 30, 2026**

REAL ESTATE OPERATIONS

PM	Replace maintenance vehicle	\$	38,000
AD	Replace phone system		20,000
Total - Real Estate Operations		\$	58,000

COMMON BOND HOUSING

LV - Winsor Plaza

HD	Replace retaining walls at 'A' entrance 2nd phase of the project	\$	30,000
HD	Tunnel water redirection		40,000
HD	EM management fees		7,000
			<u>77,000</u>

WSP - Haskell Court

HD	Replace elevator pit pump		5,000
HD	Replace Schlage access control hardware		84,000
HD	EM management fees		8,900
			<u>97,900</u>

EAG - Oakwoods

HD	Retaining wall repairs		12,000
HD	Rescreen porch and add a new door		7,000
HD	Replace com board - phone room water mitigation		15,000
HD	Paint garage walls		16,500
HD	EM management fees		5,050
			<u>55,550</u>

HSTGS - Mississippi Terrace

HD	Repair/rebuild flue and chimney		50,000
HD	Elevator power unit		30,000
HD	EM management fees		8,000
			<u>88,000</u>

IGH - Carmen Court

HD	Repair/replace the front sidewalk		7,500
HD	EM management fees		750
			<u>8,250</u>

AV - Orchard Square

HD	Add rock or terrace with block at East entry		4,000
HD	Elevator power unit		30,000
HD	EM management fees		3,400
			<u>37,400</u>

SSP - River Heights Terrace	
HD Landscape improvement - metal edging and rock	25,000
HD Replace 4 boilers, one pump assembly and supply piping	190,000
HD Replace Schlage access control hardware	110,000
HD EM management fees	32,500
	<hr/>
	357,500
MH - Parkview Plaza	
HD Elevator power unit	30,000
HD Replace Schlage access control hardware	130,000
HD EM management fees	16,000
	<hr/>
	176,000
RSMT - Cameo Place	
HD Elevator power unit	30,000
HD Replace Schlage access control hardware	95,000
HD EM management fees	12,500
	<hr/>
	137,500
EAG - O'Leary Manor	
HD Elevator power unit	30,000
HD Repair cracked sidewalks	7,500
HD EM management fees	3,750
	<hr/>
	41,250
BV - Park Ridge Place	
HD Landscape improvements - metal edging and rock	25,000
HD Front building landscaping - repair/replace small retaining wall near screened porch	9,500
HD Replace exterior door at kitchen	3,000
HD Add gutter guard along backside of building	17,000
HD Elevator power unit	30,000
HD EM management fees	8,450
	<hr/>
	92,950
AV - Cortland Square	
HD Tuckpoint and new cap at chimney near patio	6,500
HD Repair/replace exterior doors	12,000
HD Elevator power unit	30,000
HD EM management fees	4,850
	<hr/>
	53,350
LV - Main Street Manor	
HD Elevator power unit	30,000
PM Commercial space renovation	65,000
HD EM management fees	3,000
	<hr/>
	98,000

IGH - Cahill Commons	
HD Replace parking lot	65,000
HD Landscape improvement - metal edging and rock	25,000
HD Elevator power unit	30,000
HD EM management fees	12,000
	<hr/> 132,000
MH - Village Commons	
HD Elevator power unit	30,000
HD EM management fees	3,000
	<hr/> 33,000
EAG - Lakeside Pointe	
HD Repair sidewalks	7,500
HD Sealcoat individual lot	7,500
HD Replace Schlage access control hardware	125,000
HD EM management fees	14,000
	<hr/> 154,000
WSP - The Dakotah	
HD Replace the door from the lobby into the screened porch	7,500
PM Replace commercial space HVAC	24,000
PM Commercial space renovation including roof access	100,000
HD EM management fees	750
	<hr/> 132,250
HSTGS - Rivertown Court	
HD Landscape improvement - metal edging and rock	25,000
HD EM management fees	2,500
	<hr/> 27,500
SSP - Dakota Heights	
HD Replace windows and roof	475,000
HD Replace Schlage access control hardware	112,000
HD EM management fees	58,700
	<hr/> 645,700
EAG - Oakwoods East	
HD Add trench drain at service door to tie into existing OH door drain	8,000
HD Landscape improvement - metal edging and rock	25,000
HD Repair block wall at patio	10,000
HD Glue cap block at garage entry retaining wall	5,000
HD EM management fees	4,800
	<hr/> 52,800
LV - Crossroads Commons	
HD Pour new sidewalk to close gap near AC at west entry and patio	5,000
HD Landscape improvement - metal edging and rock	25,000
HD Repair small section of failing retaining wall near south garage	12,000
HD Increase access control for stairwell security	12,000
HD EM management fees	5,400
	<hr/> 59,400

FGTN - Vermillion River Crossing	
HD Caulking and tuckpointing at exterior	15,000
HD Pull siding and reflash along 3rd Floor clubroom patio	25,000
HD Repair and reflash flat roof areas around boiler exhaust	25,000
HD EM management fees	6,500
	<hr/> 71,500
BV - Valley Ridge	
HD Repair roof leak at Elevator #2	30,000
HD New AC compressor at roof of IL	12,000
HD Replace fire panel system	85,000
HD EM management fees	12,700
	<hr/> 139,700
IGH - Hillcrest	
HD Repair retaining wall near the parking lot	12,000
HD EM management fees	1,200
	<hr/> 13,200
RSMT - Cambrian Commons	
HD Replace louver/garage exhaust updated	11,000
HD EM management fees	1,100
	<hr/> 12,100
Various Senior Buildings - CBF ALL	
HD Unit minicap at turnover (25 total)	300,000
HD Smoke and fire dampers	15,000
PM Replace appliances	120,000
HD Contingency - 10%	299,200
HD EM management fees	31,500
	<hr/> 765,700
Total - Common Bond Housing	<hr/> <hr/> \$ 3,559,500
PUBLIC HOUSING	
Scattered Sites	
PM Install public sidewalks adjacent to Glazier Townhomes	\$ 70,000
	<hr/> 70,000
Colleen Loney Manor	
HD Paint halls	\$ 40,000
HD Acoustical ceiling (1st & 4th)	40,000
HD Water piping replacement	25,000
HD Unit baseboard heat covers	110,000
HD Elevator wall panels (2 elevators)	30,000
HD Elevator consultant	3,000
	<hr/> 248,000
Total - Public Housing	<hr/> <hr/> \$ 318,000

SECTION 18 LLC

HD Interior remodels to Dispo units	\$ 300,000
PM Interior remodels to Dispo units	100,000
HD EM management fees	30,000
Total - Section 18 LLC	\$ 430,000

WORKFORCE HOUSING LLC**BV - Parkside**

HD Sealcoat	\$ 10,000
HD EM management fees	1,000
	<hr/> 11,000

AV - Glenbrook

HD Concrete repairs - mudjack at entryways	7,000
HD Replace soffit and fascia	25,000
HD Insulate plumbing in units with main water valves	5,000
HD Sealcoat	16,000
HD Add 8x8 storage shed	25,000
HD EM management fees	7,800
	<hr/> 85,800

IGH - Spruce Pointe

HD Repair/paint Hardi shake siding at first couple courses-back of bldgs.	15,000
HD EM management fees	1,500
	<hr/> 16,500

EAG - Oak Ridge

HD Replace back doors and storm doors @ 8 locations	10,000
HD Replace 4 mailboxes and package lockers	18,000
HD New retaining walls at playground and back of resident units	35,000
HD EM management fees	6,300
	<hr/> 69,300

HSTGS - Pleasant Ridge

HD Replace/repair skirt board in various locations	3,000
HD EM management fees	300
	<hr/> 3,300

LV - Cedar Valley

HD Scrape paint garage bucks	10,500
HD Replace landscape edging with metal	20,000
HD Sealcoat	16,500
HD Repair Gazebo - Repair soffit, repaint posts, and beams	7,000
HD EM management fees	5,400
	<hr/> 59,400

AV - Chasewood

HD Replace parking lot - add 3 speedbumps	165,000
HD EM management fees	16,500
	<hr/> 181,500

MH - Hillside Gables	
HD Exterior renovation - windows, siding, roof	825,000
HD Sealcoat	10,500
HD EM management fees	83,550
	<hr/> 919,050
HSTGS - Marketplace	
HD Exterior renovation - windows, siding, roof, tuckpointing, fascia, soffit	980,000
HD EM management fees	98,000
	<hr/> 1,078,000
BV - Heart of the City	
HD Asphalt repair - low areas in lot/water diversion	18,000
HD Repair downspout drains in front (green PVC)	10,000
HD Replace smoke/CO2 detectors	13,000
HD EM management fees	4,100
	<hr/> 45,100
EAG - Erin Place	
HD Landscape mulch & plantings	25,000
HD Replace smoke/CO2 detectors	13,000
HD EM management fees	3,800
	<hr/> 41,800
Various Workforce Housing Properties - WH ALL	
HD Unit minicap at turnover	218,000
PM Replace appliances	49,000
HD Contingency - 10%	254,950
HD EM management fees	21,800
	<hr/> 543,750
Total - Workforce Housing LLC	<hr/> <hr/> \$ 3,054,500
WORKFORCE HOUSING II LLC	
LV - Prairie Crossing	
HD Window repair	\$ 12,000
HD Exterior touchup painting	12,000
HD Replace smoke/CO2 detectors	15,500
HD EM management fees	3,950
	<hr/> 43,450
IGH - Lafayette	
HD Repair/replace/paint deteriorated Hardi Soffit	15,000
HD Replace smoke /CO2 detectors	13,000
HD EM management fees	2,800
	<hr/> 30,800

HSTGS - West Village	
HD Repair tuckpoint at garages	10,000
HD Sealcoat/asphalt repair	20,000
HD EM management fees	3,000
	<hr/> 33,000
RMST - Carbury Hills	
HD Repair dormer trim flashing above garages	5,000
HD Caulk all windows that are set in brick	2,500
HD EM management fees	750
	<hr/> 8,250
Various Workforce Housing II Properties - WH ALL	
HD Unit minicap at turnover	70,000
PM Replace appliances	16,000
HD Contingency - 10%	19,100
HD EM management fees	7,000
	<hr/> 112,100
Total - Workforce Housing II LLC	<hr/> <hr/> \$ 227,600
YOUTH HOUSING	
HD Common area painting	\$ 22,000
HD Replace appliances	25,000
Total - Youth Housing	<hr/> <hr/> \$ 47,000
OFFICE BUILDING	
HD Replace parking lot (staff lot and trail) and minor curb repair	\$ 230,000
HD EM management fees	23,000
Total - Office Building	<hr/> <hr/> \$ 253,000
TECHNOLOGY	
AD Replace server room UPS battery	\$ 15,000
AD Power BI startup	60,000
Total - Technology	<hr/> <hr/> \$ 75,000
TOTAL ALL PROGRAMS	<hr/> <hr/> \$ 8,022,600

APPENDIX D

Dakota County Community Development Agency
Annual Operating Budget and Financial Plan - All Funds
FYE 6/30/26

	Annual Operating Budget																	Program Budgets									
	HD&R	HIA Loan	HOPE	Levy	Tax Increment	REO	Common Bond Housing	Housing Assistance	Nicols Pointe	Public Housing	Section 18 LLC	Workforce Housing	Workforce Housing II	Youth Housing	Office Bldg & Tech	Total	CDBG	NSP	HOME	ESG	H.O. Coun-seling	Wx	MHFA Rehab	LAHA	Public Housing CFP	All Funds	
REVENUE																											
Intergovernmental (grants)	\$ 215,714	\$ -	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ 34,312,256	\$ -	\$ 168,694	\$ -	\$ 1,805,000	\$ -	\$ 150,000	\$ -	\$ 36,662,664	\$2,956,936	\$ -	\$ 967,870	\$146,571	\$ 73,500	\$2,212,073	\$ 115,400	\$1,311,074	\$1,900,589	\$ 46,346,677	
Taxes	-	-	-	11,483,710	-	-	-	-	-	-	-	-	-	-	-	11,483,710	-	-	-	-	-	-	-	-	-	-	11,483,710
Tax increment	-	-	-	-	1,926,710	-	-	-	-	-	-	-	-	-	-	1,926,710	-	-	-	-	-	-	-	-	-	-	1,926,710
Special assessments	-	18,910	-	-	-	-	-	-	-	-	-	-	-	-	-	18,910	-	-	-	-	-	-	-	-	-	-	18,910
Rental	-	-	-	-	-	-	19,549,275	-	153,308	1,567,206	1,255,330	4,605,338	1,516,930	189,906	-	28,837,293	-	68,540	-	-	-	-	-	-	-	-	28,905,833
Interest	100,000	-	202,638	596,466	561,285	3,000,000	2,025,000	172,454	-	327,605	-	62,273	1,780	32,013	-	7,081,514	-	-	-	-	-	-	-	-	-	-	7,081,514
Fee income	833,163	-	-	-	-	5,788,269	344,234	279,976	16,646	47,112	41,312	125,190	39,841	8,324	-	7,524,067	-	-	-	-	1,984	-	-	-	-	-	7,526,051
Loan repayments	1,713,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,713,488	580,000	-	-	-	-	-	-	-	-	-	2,293,488
Property sales	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-	-	40,000
Other	-	-	10,000	-	-	51,246	28,636	140,000	939	10,502	3,125	20,564	4,025	3,311	1,020,947	1,293,295	-	-	8,500	-	1,000	10,000	-	-	-	-	1,312,795
Total Revenue	2,902,365	18,910	212,638	12,091,176	2,487,995	8,839,515	21,947,145	34,904,686	170,893	2,121,119	1,299,767	6,618,365	1,562,576	383,554	1,020,947	96,581,651	3,536,936	68,540	976,370	146,571	76,484	2,222,073	115,400	1,311,074	1,900,589	106,935,688	
EXPENSE																											
Administrative	1,279,138	203	106,534	-	66,260	3,990,868	4,158,750	3,817,416	58,336	379,899	186,040	952,391	328,871	74,273	664,427	16,063,406	736,936	10,964	176,370	11,571	73,634	714,504	19,287	-	185,589	17,992,261	
Tenant services	-	-	-	-	-	-	-	-	-	11,357	-	-	-	106,000	-	117,357	-	-	-	-	-	-	-	-	-	-	117,357
Utilities	1,500	-	-	-	-	-	1,484,303	-	23,605	195,460	69,592	305,706	114,862	34,465	57,000	2,286,493	-	4,065	-	-	-	-	-	-	-	-	2,290,558
Ordinary maintenance	27,465	-	-	-	-	-	5,057,090	-	70,965	824,362	361,337	1,237,392	421,847	95,146	121,560	8,217,164	-	18,564	-	-	-	-	-	-	-	-	8,235,728
General	1,117,500	2,935	2,083,220	-	5,106,869	18,000	2,609,640	10,000	26,829	310,139	193,418	647,507	172,283	45,221	33,638	12,377,199	-	7,083	-	-	-	-	-	-	-	-	12,384,282
Housing assistance payments	-	-	-	-	-	-	-	31,408,349	-	-	-	-	-	-	-	31,408,349	-	-	-	-	-	-	-	-	-	-	31,408,349
Grant/Program expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,800,000	-	800,000	135,000	2,850	1,507,569	100,000	1,311,074	1,715,000	8,371,493	
Total Operating Expense	2,425,603	3,138	2,189,754	-	5,173,129	4,008,868	13,309,783	35,235,765	179,735	1,721,217	810,387	3,142,996	1,037,863	355,105	876,625	70,469,968	3,536,936	40,676	976,370	146,571	76,484	2,222,073	119,287	1,311,074	1,900,589	80,800,028	
Debt service	-	-	-	-	-	-	5,704,141	-	-	-	-	1,425,995	110,486	-	-	7,240,622	-	-	-	-	-	-	-	-	-	-	7,240,622
Capital / Extraordinary maintenance	-	-	-	-	-	58,000	3,559,500	-	-	318,000	430,000	3,054,500	227,600	47,000	328,000	8,022,600	-	-	-	-	-	-	-	-	-	-	8,022,600
Total Expense	2,425,603	3,138	2,189,754	-	5,173,129	4,066,868	22,573,424	35,235,765	179,735	2,039,217	1,240,387	7,623,491	1,375,949	402,105	1,204,625	85,733,190	3,536,936	40,676	976,370	146,571	76,484	2,222,073	119,287	1,311,074	1,900,589	96,063,250	
Change in Budget Balance Before Transfers	476,762	15,772	(1,977,116)	12,091,176	(2,685,134)	4,772,647	(626,279)	(331,079)	(8,842)	81,902	59,380	(1,005,126)	186,627	(18,551)	(183,678)	10,848,461	-	27,864	-	-	-	-	(3,887)	-	-	-	10,872,438
TRANSFERS																											
Transfers in	1,117,378	-	1,500,000	-	-	-	5,763,000	52,490	48,292	70,000	-	1,214,167	-	-	180,000	9,945,327	-	-	-	-	-	-	-	-	-	-	9,945,327
Transfers out	(999,167)	-	-	(8,318,160)	(448,000)	-	-	(180,000)	-	-	-	-	-	-	-	(9,945,327)	-	-	-	-	-	-	-	-	-	-	(9,945,327)
Net Transfers	118,211	-	1,500,000	(8,318,160)	(448,000)	-	5,763,000	(127,510)	48,292	70,000	-	1,214,167	-	-	180,000	-	-	-	-	-	-	-	-	-	-	-	-
Change in Budget Balance	594,973	15,772	(477,116)	3,773,016	(3,133,134)	4,772,647	5,136,721	(458,589)	39,450	151,902	59,380	209,041	186,627	(18,551)	(3,678)	10,848,461	-	27,864	-	-	-	-	(3,887)	-	-	-	10,872,438
Beginning Budget Balance	19,209,875	(19,492)	5,640,640	14,202,765	13,746,665	75,616,562	50,689,677	5,147,719	5,801,489	7,830,580	15,964,856	9,330,334	4,294,484	713,338	166,219	228,335,711	-	201,709	-	-	-	-	28,243	-	-	-	228,565,663
Ending Budget Balance	\$ 19,804,848	\$ (3,720)	\$ 5,163,524	\$ 17,975,781	\$ 10,613,531	\$ 80,389,209	\$ 55,826,398	\$ 4,689,130	\$ 5,840,939	\$ 7,982,482	\$ 16,024,236	\$ 9,539,375	\$ 4,481,111	\$ 694,787	\$ 162,541	\$ 239,184,172	\$ -	\$ 229,573	\$ -	\$ -	\$ -	\$ -	\$ 24,356	\$ -	\$ -	\$ -	\$ 239,438,101

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 06/30/2022)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: *****PHA Code:

PHA Fiscal Year Beginning: *****Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☐ Operating Budget approved by Board resolution on:
- ☐ Operating Budget submitted to HUD, if applicable, on:
- ☐ Operating Budget revision approved by Board resolution on:
- ☐ Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 5A

DEPARTMENT: Finance

FILE TYPE: Regular - Consent

TITLE

Approval Of Record Of Disbursements – May 2025

PURPOSE/ACTION REQUESTED

Approve Record of Disbursements for May 2025

SUMMARY

In May 2025, the Dakota County Community Development Agency (CDA) had \$7,139,475.38 in disbursements and \$842,891.46 in payroll expenses. Attachment A provides the breakdown of disbursements. Additional detail is available from the Finance Department.

RECOMMENDATION

Staff recommend approval of the Record of Disbursements for May 2025.

EXPLANATION OF FISCAL/FTE IMPACTS

These disbursements are included in the Fiscal Year Ending June 30, 2025 budget.

☐ None ☒ Current budget ☐ Amendment Requested ☐ Other

RESOLUTION

BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the May 2025 Record of Disbursements is approved as written.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: Record of Disbursements – May 2025

CONTACT

Department Head: Ken Bauer, Finance Director

Author: Chris Meyer, Assistant Director of Finance

**Dakota County CDA
Record of Disbursements
For the month of May 2025**

	Date	Amount	Total
Common Bond Housing			
	05/20/25	<u>\$ 14,137.98</u>	
			\$ 14,137.98
Disbursing			
	05/01/25	\$ 586,833.94	
	05/08/25	\$ 1,562,771.68	
	05/15/25	\$ 455,362.99	
	05/22/25	\$ 865,011.29	
	05/29/25	<u>\$ 525,237.10</u>	
			\$ 3,995,217.00
Housing Assistance			
	05/01/25	\$ 2,970,324.13	
	05/15/25	<u>\$ 110,801.00</u>	
			\$ 3,081,125.13
Tax Increment Financing			
	05/07/25	<u>\$ 48,995.27</u>	
			\$ 48,995.27
Total Disbursements			<u><u>\$ 7,139,475.38</u></u>
May 2025 Payroll			
	05/02/25	\$ 272,537.10	
	05/16/25	\$ 270,500.93	
	05/30/25	<u>\$ 299,853.43</u>	
Total Payroll			<u><u>\$ 842,891.46</u></u>

Disbursement detail is available in the Finance Office



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 5B

DEPARTMENT: Housing Development

FILE TYPE: Regular - Consent

TITLE

Establish The Date For A Public Hearing Regarding The Disposition Of DCCDA Section 18, LLC Properties

PURPOSE/ACTION REQUESTED

Schedule a public hearing date regarding the disposition of properties owned by the DCCDA Section 18, LLC.

SUMMARY

The Dakota County CDA, as the sole member of the DCCDA Section 18, LLC currently owns 70 properties throughout Dakota County. These are single family homes and duplexes that were previously part of the federal Public Housing Program and were acquired by the LLC through the U.S. Department of Housing and Urban Development (HUD) Section 18 Demo/Dispo program. HUD's Special Applications Center has approved the disposition of the Section 18 units. The units must be sold at fair market value or higher.

There are three single family homes and one duplex currently available to be sold through the agency's contracted realtor including:

- 4020 64th Street, Inver Grove Heights
- 1361 & 1363 Easter Lane, Eagan (duplex)
- 2115 Cliffview Drive, Eagan
- 2016 Pine Street, Hastings

As required by CDA's Disposition Policy, a public hearing must be held to consider the sale of these properties. When interested buyers enter into purchase agreements with the DCCDA Section 18 LLC, staff will return to the Board to hold a public hearing for the property. If offers are not received, staff will recommend continuing the public hearing until there is an interested buyer.

RECOMMENDATION

Staff recommends setting the public hearing for Tuesday, July 29, 2025, at 3 p.m. for the purpose of considering the terms of the sale of the properties.

EXPLANATION OF FISCAL/FTE IMPACTS

N/A

☒ None ☐ Current budget ☐ Amendment Requested ☐ Other

RESOLUTION

WHEREAS, the Dakota County Community Development Agency (CDA), as sole member of the DCCDA Section 18, LLC (LLC) owns properties located throughout Dakota County; and

WHEREAS, the CDA is accepting offers from the public for the four properties being marketed by The Huerkamp Home Group/Keller Williams Preferred Realty to the public; and

WHEREAS, to ensure the CDA is in a position to sell the property in a timely manner once a buyer is identified, staff recommends setting a public hearing in anticipation that there will be offers prior to the public hearing date of July 29, 2025; and

WHEREAS, if offers are not received by the public hearing date, the public hearing will be continued to the next CDA Board meeting in anticipation that there will be additional offers at that time; and

WHEREAS, the purchase agreements for the properties will be included in the public hearing that will be finalized prior to the closing date; and

WHEREAS, the disposition of the units satisfies the requirements of U.S. Department of Housing and Urban Development's Section 18 Demo/Dispo program; and

WHEREAS, Minnesota Statute 469.105, subds. 1, 2, and 4 requires a public hearing regarding the terms of the sale of real property.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That

1. A public hearing regarding the disposition of the following property will be held by the CDA Board on July 29, 2025, at or after 3 p.m. at the CDA's office:

Properties to be sold through the realtor:

- 4020 64th Street, Inver Grove Heights
- 1361 & 1363 Easter Lane, Eagan (duplex)
- 2115 Cliffview Drive, Eagan
- 2016 Pine Street, Hastings

2. The Executive Director, or his designee, is hereby authorized and directed to cause notice of such public hearing in substantially the form in Attachment B to be published in a newspaper of general circulation in Dakota County as required by Minnesota Statutes Section 469.105.

PREVIOUS BOARD ACTION

24-6842; 5/22/2024

ATTACHMENTS

Attachment A: Site Map

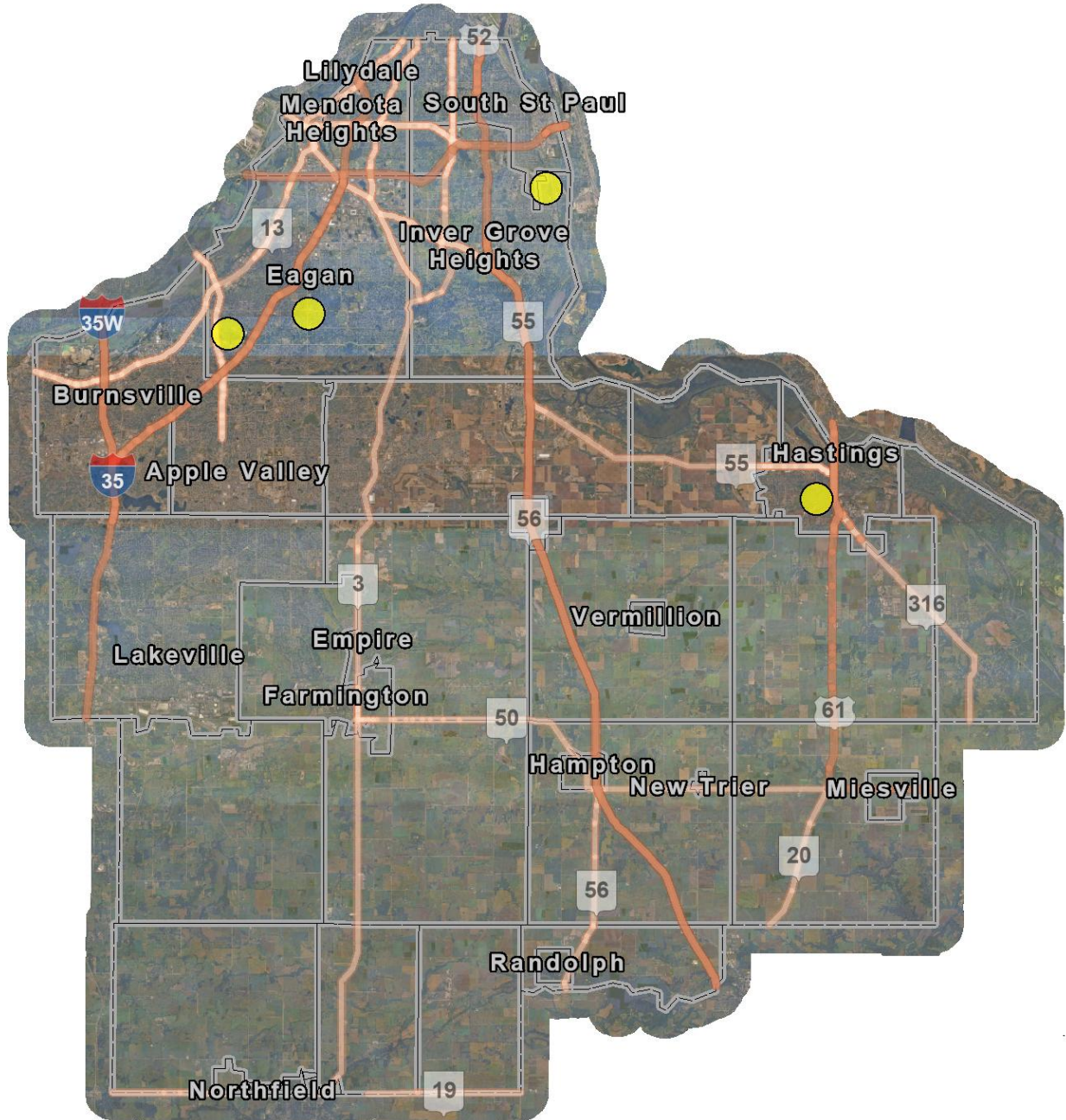
Attachment B: Public Notice

CONTACT

Department Head: Kari Gill, Deputy Executive Director

Author: Lori Zierden, Real Estate Manager

DCCDA Section 16 Properties Being Sold



Disclaimer: Map and parcel data are believed to be accurate, but accuracy is not guaranteed.
This is not a legal document and should not be substituted for a title search, appraisal, survey, or
for zoning verification.

Map Scale

1 inch = 4.8 miles

6/4/2025 5

PUBLIC NOTICE

Dakota County Community Development Agency

Notice is provided that the Board of Commissioners of the Dakota County Community Development Agency (CDA), as the sole member of DCCDA Section 18, LLC will hold a public hearing on Tuesday, July 29, 2025, at or after 3:00 p.m. at the CDA offices located at 1228 Town Centre Drive, Eagan, Minnesota to consider the sale, transfer, and/or exchange of the following described property currently owned by DCCDA Section 18 LLC is advisable:

Address	Legal Description
4020 64 th Street, Inver Grove Heights	Lots 29 and 30, Block 10, Inver Grove Factory Addition, Dakota County, Minnesota
1361 & 1363 Easter Lane, Eagan	Lot 7, Block 5, Wilderness Run Fifth Addition, Dakota County, Minnesota
2115 Cliffview Drive, Eagan	Lot 3, Block 2 in Cedar Cliff Second Addition, according to the plat thereof, Dakota County, Minnesota
2016 Pine Street, Hastings	Lot 265, Replat of Westwood Addition Fourth Section, Dakota County, Minnesota

The terms and conditions for offers that staff are recommending to the CDA Board will be available at the CDA's office beginning July 29, 2025. For more information on this proposed sale, transfer, and/or exchange of property contact Lori Zierden at the Dakota County CDA, 1228 Town Centre Drive, Eagan, MN 55123, telephone (651) 675-4479. Public comments may be submitted orally or in writing to the CDA through the public hearing to be held on July 29, 2025.

BY ORDER OF THE BOARD OF COMMISSIONERS OF THE DAKOTA COUNTY
COMMUNITY DEVELOPMENT AGENCY

By /s/ Tony Schertler
Executive Director

[Date of Publication]



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 5C

DEPARTMENT: Housing Development

FILE TYPE: Regular - Consent

TITLE

Authorization To Execute Contract For Common Area Flooring Replacement At Valley Ridge Senior Housing (Burnsville)

PURPOSE/ACTION REQUESTED

- Authorize Deputy Executive Director to execute a contract with Renova One, Inc.
- Authorize change order authority.

SUMMARY

This contract is for the common area flooring replacement at Valley Ridge in Burnsville, a development in the Dakota County CDA senior housing portfolio.

A bid was solicited using Sourcewell, a cooperative purchasing company. Sourcewell creates and maintains competitively solicited cooperative contracts for use by government, educational, and non-profit organizations. They provide access to local contractors through locally bid contracts. Contracts are based on a catalog of pre-priced tasks.

Solicitation of the bid was done in accordance with section 6.6 of the Procurement Methodology. The standards proposed for use of the Cooperative Purchasing/Intergovernmental Agreement recommended here are reasonable and appropriate.

The bid is reasonable in cost compared with similar projects for the CDA in the past.

RECOMMENDATION

Staff recommends that the Deputy Executive Director be authorized to enter into a contract with Renova One, Inc. in the amount of \$136,748.29. In a project this size, it is possible there may be change orders that would result in minor changes to the project.

To deal with these change orders more efficiently, staff recommends that the Deputy Executive Director be authorized to approve change orders up to the amount of \$13,674 (10% of the contract amount).

EXPLANATION OF FISCAL/FTE IMPACTS

Funds are available for this project in the FYE25 Common Bond budget.

☐ None ☒ Current budget ☐ Amendment Requested ☐ Other

RESOLUTION

WHEREAS, the Dakota County Community Development Agency solicited a bid using Sourcewell, a cooperative purchasing company, for the common area flooring replacement at the CDA owned senior building of Valley Ridge; and

WHEREAS, Sourcewell creates and maintains competitively solicited cooperative contracts for use by government, educational, and non-profit organizations; and

WHEREAS, funds to complete this project are included in the FYE25 Common Bond Fund budget and will be carried forward to the FYE26 budget to complete the project.

NOW< THEREFORE BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners, That the Deputy Executive Director is authorized to sign a contract with Renova One, Inc. in the amount of \$136,748.29; and

BE IT FURTHER RESOLVED, that the Deputy Executive Director is authorized to execute change orders not to exceed \$13,674.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: Sourcewell Minnesota Legal References

CONTACT

Department Head: Kari Gill, Deputy Executive Director

Author: Nick Sisterman, Capital Projects Manager

Minnesota Legal References

State Agencies:

Minn. Stat. § 16C.03 (2017). Commissioner's authority; powers and duties

Subd. 10. Cooperative purchasing. The commissioner is authorized to enter into a cooperative purchasing agreement for the provision of goods, services, construction, and utilities in accordance with section 16C.105.

Local Governments:

Minn. Stat. § 471.345 (2017). Uniform Municipal Contracting Law

Subd. 15. Cooperative purchasing. (a) Municipalities may contract for the purchase of supplies, materials, or equipment by utilizing contracts that are available through the state's cooperative purchasing venture authorized by section 16C.11. For a contract estimated to exceed \$25,000, a municipality must consider the availability, price and quality of supplies, materials, or equipment available through the state's cooperative purchasing venture before purchasing through another source.

(b) If a municipality does not utilize the state's cooperative purchasing venture, a municipality may contract for the purchase of supplies, materials, or equipment without regard to the competitive bidding requirements of this section if the purchase is through a national municipal association's purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.

About Sourcewell:

Sourcewell is a service cooperative created by the Minnesota legislature as a local unit of government. Minn. Const. art. XII, sec. 3. As a public corporation and agency, Sourcewell is governed by local elected municipal officials and school board members. Minn. Stat. § 123A.21 Subd. 4 (2017) Under its enabling statute, Sourcewell is explicitly authorized to provide cooperative purchasing services to eligible members. Id. at Subd. 7(23).

Sourcewell follows the competitive contracting law process to solicit, evaluate and award cooperative purchasing contracts for goods and services. Sourcewell cooperative purchasing contracts are made available through the joint exercise of powers law to member agencies. Minn. Stat. § 471.59 (2017). Membership in Sourcewell is available for all eligible state and local governments, education, higher education and nonprofit entities across North America. § 123A.21 at Subd. 3.



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 5D

DEPARTMENT: Housing Development

FILE TYPE: Regular - Consent

TITLE

Award Contract For The Back Parking Lot Replacement Project At The CDA Office Building

PURPOSE/ACTION REQUESTED

- Authorize Deputy Executive Director to execute a contract for the parking lot replacement project at the CDA Office Building.
- Authorize Change Order Authority.

SUMMARY

This contract is for the replacement of the aging asphalt parking lot & minor concrete work at the back of the CDA Office Building. The asphalt is 23 years old and several areas have been previously patched. The front visitor parking lot was completed in the Fall of 2024. This next phase of work is for the replacement of the back (employee) parking lot. The funding will be from the FYE26 budget. Project approval will secure current pricing and will allow the work to be completed in the Fall 2025 schedule.

This project was procured using the State of Minnesota, Office of State Procurement, Contract Release P-836(5). Bituminous Roadways, Inc. is the awarded party under Contract Release P-836(5).

RECOMMENDATION

It is recommended that the Deputy Executive Director be authorized to enter into a contract with Bituminous Roadways, Inc. in the amount of \$117,055.97 and be authorized to sign change orders in an amount not to exceed \$11,705.00 (this is 10% of the contract amount). The solicitation of bids was done in accordance with public bidding requirements, procured by Minnesota State Procurement and the contractor has successfully completed several similar projects for the CDA in the past.

EXPLANATION OF FISCAL/FTE IMPACTS

This project is included in the FYE26 CDA Budget. This contract award is subject to approval of the FYE26 budget by the CDA Board of Commissioners.

☐ None ☐ Current budget ☐ Amendment Requested ☒ Other

RESOLUTION

WHEREAS, The State of Minnesota, Office of State Procurement holds an approved Contract Release with Bituminous Roadways, Inc for member use; and WHEREAS, Bituminous Roadways, Inc submitted a responsive bid of \$117,055.97; and

WHEREAS, the contract is being recommended on the current condition of the existing parking lot, and Bituminous Roadways, Inc has prior experience on similar projects with the CDA; and

WHEREAS, this contract award is subject to approval of the FYE26 CDA Budget by the Dakota County CDA Board of Commissioners.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Deputy Executive Director is authorized to sign a contract with Bituminous Roadways, Inc. in the amount of \$117,055.97; and

NOW, THEREFORE BE IT FURTHER RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Deputy Executive Director is authorized to approve change orders in an amount not to exceed \$11,705.00 (10% of the contract amount).

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: State Contract P-836(5)

CONTACT

Department Head: Kari Gill, Deputy Executive Director

Author: Vince Markell, Capital Projects Manager

Admin Minnesota

Office of State Procurement

Room 112 Administration Bldg., 50 Sherburne Ave., St. Paul, MN 55155; Phone: 651.296.2600, Fax: 651.297.3996
 Persons with a hearing or speech disability can contact us through the Minnesota Relay Service by dialing 711 or 1.800.627.3529.

CONTRACT RELEASE: P-836(5)

DATE: June 06, 2024

PRODUCT/SERVICE: PARKING LOT REPAIR AND SMALL-SCALE BITUMINOUS PAVING

CONTRACT PERIOD: AUGUST 1, 2020, THROUGH JULY 31, 2025

EXTENSION OPTIONS: 0 MONTHS

ACQUISITION MANAGEMENT SPECIALIST/BUYER (AMS): John H. Roth

PHONE: 651.201.2457 **E-MAIL:** John.H.Roth@state.mn.us **WEB SITE:** www.mn.gov/admin/osp

CONTRACT VENDOR	CONTRACT NO.	TERMS	DELIVERY
VARIOUS	VARIOUS	NET 30	AS SCHEDULED

CONTRACT USERS. This Contract is available to the following entities as indicated by the checked boxes below

- ☒ State agencies
- ☒ Cooperative Purchasing Venture (CPV) members

STATE AGENCY CONTRACT USE. State agencies should make every effort to use the Contract Vendor(s) listed. However, this Contract does not prohibit State agencies from using their delegated local purchasing authority to procure similar products and services from other vendors.

STATE AGENCY ORDERING INSTRUCTIONS. Orders are to be placed directly with the Contract Vendor. State agencies should use a Contract release order (CRO) or a blanket purchase order (BPC). The person ordering should include his or her name and phone number. Orders may be submitted via fax.

COOPERATIVE PURCHASING VENTURE (CPV) MEMBER ORDERING INSTRUCTIONS. This Contract is available to all CPV members per Minn. Stat. § 16C.03, Subd. 10 and Minn. Stat. § 471.59, Subd. 1. For more information on the Cooperative Purchasing Venture Program, see State web site:

<https://mn.gov/admin/osp/other-purchasers/cpv/>.

CPV member orders are to be placed directly with the Contract Vendor and must identify this Contract Release, P-836(5), and the Contract Vendor's specific contract number.

CONTRACT FEEDBACK. If these commodities or service can be better structured to help you with your business needs, let us know. We solicit your comments and suggestions to improve all of our contracts so that they may better serve your business needs. If you have a need for which no contract currently exists, or you would like to be able to use an existing state contract that is not available to your entity, whether a state agency or CPV, please contact us. If you have specific comments or suggestions about an individual contract you can submit those via the [Contract Feedback Form](#).

SPECIAL TERMS AND CONDITIONS

SCOPE. The work to be completed under this contract shall consist of furnishing all labor, tools, materials, and equipment to legally and correctly replace and/or repair parking lot paving, small scale bituminous paving, including but not limited to, driveways, park roads, paved trails, access roads, and boat ramps, and paving related work for all State Agencies and Cooperative Purchasing Ventures (CPV) members for their individual projects on an as needed basis NOT TO EXCEED \$250,000 in value.

The Contract(s) must not be used for bituminous roadwork subject to traffic control per the Minnesota Manual on Uniform Traffic Control Devices Revision 4 (2015 Edition). unless a written exception is granted by the Acquisition Management Specialist or authorized delegate.

PRICES. Prices are firm through the entire contract period. At no time should the ordering entity pay more than the Contract price. Agencies and CPV Members must contact the AMS immediately and fill out a Vendor Performance Report if there is a discrepancy between the price on the invoice and the Contract price.

- **Unit Prices.** Materials purchased through this Contract must be for furnish and installation. Unit prices include all materials and incidentals necessary for the installation of the item(s) included in the unit price. Incidentals to all unit prices includes, but is not limited to, traffic control, erosion control, storm water management, equipment rental, pre-cleaning, post-cleaning, protections of existing features outside area of new construction or repair, restoration of areas impacted by construction operations, off-site disposal of excess and demolition materials, quality control tests and inspections, field measurements for unit price payment and other items necessary to the proper execution of the unit price item.
- **Labor Rates.** Labor hourly rates include, but is not limited to, prevailing wage requirements, equipment and tools, government taxes, Social Security, unemployment compensation, insurance payments, employees' fringe benefits, complete insurance coverage of employees, property damage, public liability insurance, surcharges, etc. normally associated with parking lot paving, repair, and other small-scale bituminous paving work. The certified prevailing wage rates in effect at the time the solicitation is advertised apply for the duration of the contract.
- **Mobilization** includes preparatory work and operations, including, but not limited to those necessary for the movement of construction personnel, equipment, supplies and incidentals to the project site, for work on the project, and for all other work and operations which must be performed or cost incurred prior to beginning work on the various items on the project site. The State will pay only one mobilization charge per project.

PRICE DECREASES. During the life of the Contract, any or all temporary price reductions, promotional price offers, introductory pricing, or any other offers or promotions that provide prices lower than or discounts higher than those stated in the Contract, must be given immediately to the entities eligible to purchase from the Contract. Invoices for goods ordered or shipped or services performed during the decrease, or promotion, must immediately reflect such pricing.

VERIFYING THE CONTRACT PRICES. The Contract(s) was executed with FIXED PRICING. The pricing offered must match or be lower than that detailed herein. The Contract(s) also includes HOURLY RATES. Confirm that the correct rate has been utilized by the Contract Vendor and that the number of hours are properly calculated/subtotaled. Review the number of hours quoted against the scope of your project.

Only accept contract vendor quotes that provide itemized contract pricing (lump sum price quotes must be rejected and reworked by the Contract Vendor to show itemized State contract pricing).

Prior to accepting an order and/or issuing payment on an invoice, inspect the goods and/or deliverables to ensure they match both the terms and pricing of the contract.

Contact the AMS/Buyer detailed herein to report any pricing discrepancies or for assistance in confirming/calculating contract pricing.

STATE EXCISE AND USE TAX. The Contractors have included any applicable State or Federal sales, excise, or use tax in their contract unit prices on all materials, supplies and equipment that are utilized for the furnishing and installing work under this contract. The State's Direct Pay Permit will not apply for orders against the Contracts.

CONTRACT VENDOR INFORMATION: The following is a list of the counties in which there are Contract Vendors available to provide parking lot repair and small scall bituminous paving services.

COUNTY NAME	CONTRACTORS	CONTRACTORS	CONTRACTORS	CONTRACTORS
AITKIN	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
ANOKA	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC	
BECKER	FPI Paving Contractors Inc.	Paragon Paving Inc.	NorthStar Contracting	
BENTON	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
BELTRAMI	NorthStar Contracting			
BIG STONE	Paragon Paving Inc.			
BLUE EARTH	FPI Paving Contractors Inc.	Paragon Paving Inc.	Ulland Bros Inc.	
BROWN	Paragon Paving Inc.			
CARLTON	FPI Paving Contractors Inc.	Paragon Paving Inc.		
CARVER	Bituminous Roadways Inc.	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC
CASS	Paragon Paving Inc.	NorthStar Contracting	Knife River Corp - NC	
CHIPPEWA	Paragon Paving Inc.			
CHISAGO	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC	Knife River Corp - NC
CLAY	FPI Paving Contractors Inc.	Paragon Paving Inc.	NorthStar Contracting	
CLEARWATER	NorthStar Contracting			
COOK	NO VENDORS			
COTTONWOOD	Paragon Paving Inc.			
CROW WING	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
DAKOTA	Bituminous Roadways Inc.	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC
DODGE	FPI Paving Contractors Inc.	Paragon Paving Inc.		
DOUGLAS	FPI Paving Contractors Inc.	Paragon Paving Inc.		
FARIBAULT	Paragon Paving Inc.	Ulland Bros Inc.		
FILLMORE	Paragon Paving Inc.			
FREEBORN	FPI Paving Contractors Inc.	Paragon Paving Inc.	Ulland Bros Inc.	
GOODHUE	FPI Paving Contractors Inc.	Paragon Paving Inc.		
GRANT	Paragon Paving Inc.			
HENNEPIN	Bituminous Roadways Inc.	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC
HOUSTON	Paragon Paving Inc.			
HUBBARD	Paragon Paving Inc.	NorthStar Contracting		
ISANTI	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
ITASCA	NO VENDORS			
JACKSON	Paragon Paving Inc.			
KANABEC	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
KANDIYOHI	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
KITSON	Opp Construction LLC			
KOOCHICHING	NO VENDORS			
LAC QUI PARLE	Paragon Paving Inc.			
LAKE	NO VENDORS			
LAKE OF THE WOODS	NO VENDORS			
LE SUEUR	FPI Paving Contractors Inc.	Paragon Paving Inc.		

COUNTY NAME	CONTRACTORS	CONTRACTORS	CONTRACTORS	CONTRACTORS
LINCOLN	Paragon Paving Inc.			
LYON	Paragon Paving Inc.			
MAHNOMEN	NO VENDORS			
MARSHALL	Opp Construction LLC			
MARTIN	Paragon Paving Inc.	Ulland Bros Inc.		
MCLEOD	FPI Paving Contractors Inc	Paragon Paving Inc.	Knife River Corp - NC	
MEEKER	Paragon Paving Inc.	Knife River Corp - NC		
MILLE LACS	FPI Paving Contractors Inc	Paragon Paving Inc.	Knife River Corp - NC	
MORRISON	FPI Paving Contractors Inc	Paragon Paving Inc.	Knife River Corp - NC	
MOWER	FPI Paving Contractors Inc	Paragon Paving Inc.	Ulland Bros Inc.	
MURRAY	Paragon Paving Inc.			
NICOLLET	FPI Paving Contractors Inc	FPI Paving Contractors Inc.		
NOBLES	Paragon Paving Inc.			
NORMAN	Paragon Paving Inc.	Opp Construction LLC		
OLMSTED	FPI Paving Contractors Inc.	Paragon Paving Inc.		
OTTER TAIL	Paragon Paving Inc.	NorthStar Contracting		
PENNINGTON	Opp Construction LLC			
PINE	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
PIPESTONE	Paragon Paving Inc.			
POLK	Paragon Paving Inc.	Opp Construction LLC		
POPE	Paragon Paving Inc.			
RAMSEY	Bituminous Roadways Inc.	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC
RED LAKE	Opp Construction LLC			
REDWOOD	Paragon Paving Inc.			
RENVILLE	Paragon Paving Inc.			
RICE	FPI Paving Contractors Inc.	Paragon Paving Inc.		
ROCK	Paragon Paving Inc.			
ROSEAU	NO VENDORS			
SCOTT	Bituminous Roadways Inc.	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC
SHERBURNE	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
SIBLEY	FPI Paving Contractors Inc.	Paragon Paving Inc.		
ST. LOUIS	FPI Paving Contractors Inc.	Paragon Paving Inc.		
STEARNS	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
STEELE	FPI Paving Contractors Inc.	Paragon Paving Inc.	Ulland Bros Inc.	
STEVENS	Paragon Paving Inc.	NorthStar Contracting		
SWIFT	Paragon Paving Inc.			
TODD	Paragon Paving Inc.	Knife River Corp - NC		
TRAVERSE	Paragon Paving Inc.	NorthStar Contracting		
WABASHA	FPI Paving Contractors Inc.	Paragon Paving Inc.		
WADENA	Paragon Paving Inc.	NorthStar Contracting	Knife River Corp - NC	
WASECA	FPI Paving Contractors Inc.	Paragon Paving Inc.	Ulland Bros Inc.	
WASHINGTON	Bituminous Roadways Inc.	FPI Paving Contractors Inc.	Paragon Paving Inc.	Pave It LLC

COUNTY NAME	CONTRACTORS	CONTRACTORS	CONTRACTORS	CONTRACTORS
WATONWAN	Paragon Paving Inc.			
WILKIN	Paragon Paving Inc.	NorthStar Contracting		
WINONA	FPI Paving Contractors Inc.	Paragon Paving Inc.		
WRIGHT	FPI Paving Contractors Inc.	Paragon Paving Inc.	Knife River Corp - NC	
YELLOW MEDICINE	Paragon Paving Inc.			

PRICE QUOTES. Prior to starting work, agencies or CPV members will request a quote for the work to be completed. Some agencies may decide to provide a drawing(s) for their individual project. The Contractor will be responsible for providing a quote showing the number of labor hours, travel hours, any mobilization, and the unit prices for materials to be used.

The Contractor may be paid for a quote according to the Hourly Rates as stated in the Price Schedule, as long as the Contractor and the agency or CPV member agree to the cost before the project is quoted. The Contractor does not have to request payment to provide a quote and the agency or CPV member does not have to agree to pay for a quote. If the Contractor wants to be paid for a quote and the agency or CPV member does not agree to the payment, then the Contractor does not have to provide a quote. If there are multiple Contractors assigned to a county, agencies may want to obtain a written price quote from multiple Contractors prior to issuing a purchase order.

Contractors shall take their own measurements and verify all specifications and conditions pertinent to the project in order to ensure its proper completion. NO extras will be allowed because of the Contractor's misunderstanding as to the amount of work entailed or lack of knowledge of existing conditions. Ignorance of site conditions will not be the basis for any change order request.

COUNTIES WHERE THERE IS NO CONTRACT COVERAGE. Ordering entities that need work performed in a county that is not covered by a Contract are allowed to contact a Contractor who does have a Contract for a county that abuts the county where the work is to be performed. Under such circumstances, the Contractor may agree at their discretion to extend the Contract pricing, terms and conditions on an individual project basis.

PURCHASE ORDER LIMITS. Individual purchase orders, including associated change orders, issued against these contracts for parking lot repair or replacement shall be less than \$250,000. Agency projects for \$250,000 and more will need to be bid and contracted for through established public works construction contracting procedures.

PAYMENT AND PERFORMANCE BONDS. The Contractor must provide a payment and performance bond per project (furnish equipment and installation) if a project is estimated to be \$175,000.00 or greater per Minn. Statute 574.26.

The Contractor shall furnish the Performance Bond and a Labor and Material Bond (individually a "Bond" and collectively Bonds) to the public entity that has accepted a quote. The Performance Bond shall be in an amount equal to 100% of the full amount of the Order sum as security for the faithful performance of the Contract, and the Labor and Material Payment Bond shall be in an amount equal to 100% of the full amount of the Order sum as security for the payment of all persons performing labor and furnishing materials in connection with the Contract Documents. Such Bonds shall be on forms approved by or provided by the Owner and shall name the Owner as primary Obligee.

The surety issuing the Bonds shall be satisfactory to the Owner, be licensed to issue Bonds in the State of Minnesota, shall be rated by A.M. Best an A-(minus) or better, and shall be within the limit set by the Treasury Department as the net limit on any single risk for the surety, or if co-sureties are utilized, the amount of each Bond shall be within the total of such limits set for a surety and any such co-sureties. There shall be no affiliation between the Contractor and any bonding agencies or agent used.

In the event of change orders that result in an increase in the Contract or Order Sum, the penal sum of each Bond shall increase in the amount of such change in the Contract or Order sum without obtaining the surety's consent up to a maximum of 10% of the penal sum. Any aggregate increase in the excess of 10% of the original penal sum shall require the surety's written consent. The Contractor shall be responsible for getting the consent and shall submit a copy of such consent to the Owner.

If the Owner determines that the surety providing the bonds no longer meets the requirements the Contractor shall obtain an adequate replacement surety that will provide acceptable bonds in the same form and amount as

the bonds issued by the original surety. The Contractor shall pay the premium(s) on such new Bond(s). The Contractor acknowledges that further payments to the Contractor may not be made until the new surety has been qualified and approved.

Any miscellaneous labor, materials, tools, equipment or services required for a State Agency/CPV member's project, related to the Contract scope, but not listed on the Contract Price Schedule, will be furnished by the Contractor and will be billed at the Contractor's actual cost - **NOT TO EXCEED A TOTAL OF \$5,000 PER PROJECT**. Copies of invoices for these purchases and/or rental fees shall be attached to the invoice that is submitted to the State Agency/CPV member.

CHANGE ORDERS. Contract unit pricing will be used for changes (increases and/or decreases) in the work after the purchase order has been issued. Contractor may proceed with changes in the work after written acceptance from the agency contact person and will be adjusted by Change Order.

PERMITS. Permits required by local authorities shall be secured and paid for by the Contractor. The Contractor will be reimbursed for the actual cost of such permits if the cost is itemized and evidence of the permit and its cost is attached to the invoice.

RESPONSE TIME. Upon receipt of a purchase order, the Contractor shall contact the ordering entity where work is to be performed or materials to be delivered within five (5) calendar days acknowledging the receipt of order and to schedule work start dates. Orders requiring expedited action will indicate "expedited action response required" on the purchase order. If after an installation date has been established and the ordering entity requires a delay in the work, the ordering entity may, without penalty, delay installation for a period mutually agreed upon by both parties. Once the project is started, work is to proceed on a continuous basis. Interruptions in finishing a project must be approved by the ordering entity.

All products must be installed with a minimum of interruption to the normal business operation. All work will comply with the applicable national, state and local codes and regulations. If normal service must be disrupted, the Contractor must consult with and obtain the approval of the ordering entity on how the service disruption will be handled prior to scheduling the work. Service Center assistance must be available 7 days a week, 24 hours a day. The Contractor must be able to provide first response to all service calls within one (1) hour. First response is defined as a returned phone call, or diagnostic and troubleshooting, and/or providing anticipated resolution.

INSURANCE. The Office of State Procurement has a current certificate of insurance on file for all Contractors for furnish and install work under the contracts. CPV members must determine if Builder's Risk insurance is necessary for a project or not. If they determine it is necessary, they must obtain coverage through their own providers.

DEFINITIONS FOR HOURLY RATES AND STATE HOLIDAYS.

Work Hours:

- Weekday Cost - Monday through Friday, 7:30 a.m. to 4:00 p.m. Central Time
- Weekday Evening Cost - Monday through Friday, 4:01 p.m. to 7:29 a.m. Central Time
- Weekend/ State Holiday Cost - 4:01 p.m. (Friday) to 7:29 a.m. (Monday) Central Time

State Holidays:

New Year's Day	Martin Luther King Jr. Day
President's Day	Memorial Day
Independence Day	Labor Day
Veteran's Day	Thanksgiving Day
Day after Thanksgiving	Christmas

CONDUCT. All employees of the Contractor(s) shall conduct themselves in a professional and courteous manner at all times. Personnel deemed unacceptable by the State shall be replaced immediately. The State reserves the right to reject any employee.

WORKMANSHIP, AND LICENSES. Contractors shall employ personnel skilled and experienced for the specific task required. Licensed journeymen shall be employed where required by law. Workmanship shall be of the highest quality and performed in a neat and expeditious manner. Qualified supervision shall be at the site when work is progressing.

All Contractors shall conform to the labor laws of the State of Minnesota and all other laws, ordinances, and legal requirements affecting their work in Minnesota.

REMOVED ITEMS/CLEAN-UP. It will be the Contractor's responsibility to legally dispose of all materials and supplies removed and/or used during a project. The cost of cleanup performed by the Agency or CPV member as a result of the Contractor's failure to provide the required cleanup shall be deducted at the actual cost to the Agency or CPV member from the Contract sum.

SAFETY. The State agrees to furnish safe and free access to all areas of work covered by this Contract for the purpose of executing the terms of this Contract. At its option, the State may request, and the Contractor will comply, that a member of the Contractor's staff be removed from working on projects for unsafe practices, violations of Contract procedures, or other problems.

The Contractor shall take all reasonable necessary steps to provide for the safety of, and prevent damage, injury or loss to:

- a. All Persons.
- b. The building and all other real or personal property at the work site.
- c. All the equipment at the building, under the care, custody or control of the Contractor or any of its employees.

The Contractor shall promptly notify the State if, during the term of this agreement, the Contractor observes or otherwise learns of any condition which:

- a. In the Contractor's judgment, poses a threat to the safety of persons or property;
- b. Adversely affects the equipment: or Is in violation of any applicable codes or regulations.

WARRANTY. The Contractor shall provide a one-year warranty which includes labor and materials, unless otherwise stated in the specifications or if there is an extended manufacturer's warranty. The Contractor shall repair or replace defective materials that fail with the warranty period. The warranty period shall not commence until final acceptance by owner.

BACKGROUND CHECKS. Some State Agencies may require criminal background checks on persons that enter, work at or service the facility. Some of the State Agencies which require criminal history/background checks include, but are not limited to, the following: Department of Corrections, Department of Human Services, Minnesota Academy for the Deaf and Blind, and Bureau of Criminal Apprehension. If this requirement applies, the State agency shall notify the Contractor when they request a quote or prior to proceeding with a purchase order.

State Agencies will be responsible for the cost of background checks. It will be the responsibility of the Contractor to make sure they are aware of and are in compliance with administering criminal background checks per State, Federal, and local law.

Notwithstanding the foregoing, the Contractor will be responsible for the actions and/or results of such actions of their employees under the Contract.

SUBCONTRACTING. Only subcontractors that have been approved by the Acquisition Management Specialist can be used for this Contract.

After the effective date of the Contract, the Contractor shall not, without prior written approval of the Acquisition Management Specialist, subcontract for the performance of any of the Contractor's obligations that were not already approved for subcontracting when the Contract was awarded. During this Contract, if an approved subcontractor is determined to be performing unsatisfactorily by the Acquisition Management Specialist, the Contractor will receive written notification that the subcontractor can no longer be used for this Contract.

The provisions of the Contract shall apply with equal force and effect to all **approved** subcontractors engaged by the Contractor. Notwithstanding approval by the State, no subcontract shall serve to terminate or in any way affect the primary legal responsibility of the Contractor for timely and satisfactory performance of the obligations contemplated by the Contract.

SUBCONTRACTOR PAYMENT. In accordance with Minn. Stat. § 16A.1245, the Contractor shall, within 10 days of receipt of payment from the State, pay all subcontractors and suppliers having an interest in the Contract their share of the payment for undisputed services provided by the subcontractors or suppliers. The Contractor

is required to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid, undisputed balance of \$100 or more will be \$10. For an unpaid balance of less than \$100, the amount will be the actual penalty due. A subcontractor that takes civil action against the Contractor to collect interest penalties and prevails will be entitled to its costs and disbursements, including attorney's fees that were incurred in bringing the action. The Contractor agrees to take all steps necessary to comply with said statute. A consultant is a subcontractor under the Contract. In the event the Contractor fails to make timely payments to a subcontractor or supplier, the State may, at its sole option and discretion, pay a subcontractor or supplier any amounts due from the Contractor and deduct said payment from any remaining amounts due the Contractor. Before any such payment is made to a subcontractor or supplier, the State shall provide the Contractor written notice that payment will be made directly to a subcontractor or supplier. If there are no remaining outstanding payments to the Contractor, the State shall have no obligation to pay or to see to the payment of money to a subcontractor except as may otherwise be required by law.

PAYMENT. The payment for each purchase order will only be made after all work has been accepted as satisfactory by the State Agency or CPV Member. At completion of each project the invoice should at a minimum include:

- The name of the Contractor/Contract number.
- The State Agency purchase order number.
- Date and description of work performed.
- Mobilization charge.
- Number of labor hours, labor rate and total labor billed.
- Material unit prices for work completed.
- Total for invoice.

All services provided must meet all terms, conditions and specifications of the Contract and the ordering document and be accepted as satisfactory by the State Agency or CPV Member before payment will be issued.

Prior to final payment, the Contractor shall deliver an IC 134 – “Withholding Affidavit for Contractor” – to the agency or CPV Member where the work was completed. The IC 134 must be approved by the Minnesota Department of Revenue prior to final payment. For instructions on filing an IC-134 visit <https://www.revenue.state.mn.us/sites/default/files/2019-01/ic134.pdf>.

PREVAILING WAGE REQUIREMENTS. Pursuant to Minnesota Statutes 177.41 to 177.44 and corresponding Minnesota Rules 5200.1000 to 5200.1120, this contract is subject to the prevailing wages as established by the Minnesota Department of Labor and Industry. Specifically, all contractors and subcontractors must pay all laborers and mechanics the established prevailing wages for work performed under the contract. Failure to comply with the aforementioned may result in civil or criminal penalties.

The prevailing hours of labor may not be more than eight hours per day or more than 40 hours per week. Pursuant to Minnesota Statutes 177.43, “No laborer or mechanic employed directly on the project work site by the Contractor or any subcontractor, agent or other person doing or contracting to do all or a part of the work of the project, is permitted or required to work more hours than the prevailing hours of labor unless paid for all hours in excess of the prevailing hours at a rate of at least 1-1/2 times the hourly basic rate of pay; and a laborer or mechanic may not be paid a lesser rate of wages than the prevailing wage rate in the same or most similar trade or occupation in the area.” Nothing in this Contract shall be construed as prohibiting the Contractor or subcontractor paying a higher negotiated wage rate. This requirement does not apply to wage rates and hours of employment of laborers or mechanics who process or manufacture materials or products or to the delivery of materials or products by or for commercial establishments which have a fixed place of business from which they regularly supply processed or manufactured materials or products. This section applies to laborers or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is incorporated into the work under the contract by depositing the material substantially in place, directly or through spreaders, from the transporting vehicle.

To facilitate compliance pursuant to the Statute, wage determinations (prevailing wages) were prepared for different trades for each county from which labor for said project would be secured and are included and published in the Contract Specifications. Any wage determinations that are found not to be so promulgated do not relieve the Contractor from any responsibility for paying the prevailing wage rate of the trade in question. All laborers, workers, and mechanics must be paid the prevailing wage rate for work performed on the project. If the wage certification or published prevailing wages do not include a rate for a classification of work used on the project, the contractor shall contact the Department of Labor and Industry to obtain a rate.

In accordance with Minnesota Statutes 177.30 Sub. 4 and 177.43 Sub. 3, the Contractor and Subcontractor shall furnish to the Contracting Authority and the Project Owner all payrolls, of all workers on the project, a State of Minnesota Prevailing Wage Payroll Report as a Microsoft Excel file and Statement of Compliance Form as a PDF file to the following E-mail addresses provided on the Purchase Orders

- 1) STATE AGENCIES except MnDOT must list the E-mail addresses on their purchase orders.
- 2) CPV Members must indicate if they need certified payroll reports and the appropriate addresses for submission on their purchase orders.

The State of Minnesota Prevailing Wage Payroll Report and Statement of Compliance Form are available on the MMD website at <https://mn.gov/admin/osp/vendors/overview-for-vendors/>, under Step 3: Compliance Documents. Submit the completed and signed State of Minnesota Prevailing Wage Payroll Report as a Microsoft Excel file and the Statement of Compliance Form as a PDF file, no other payroll forms will be accepted to meet this requirement with the exception of Mn/DOT (see below).

These completed forms must be furnished not more than 14 days after the end of each pay period.

The Subject Line on the Contractor's and Subcontractor's E-mail must show the Firm name and the Contract Number or Purchase Order Number and the pay period ending date.

Failure to maintain records as required by Minnesota Statutes 2008, Section 177.30 may be fined up to \$1,000 for each failure to maintain said records. This penalty is in addition to any penalties provided under section 177.32, Subd. 1. Contractors and subcontractors must keep these records for three years after the contracting authority has made final payment on the public works project.

The Contractor is solely responsible for payment of all required Prevailing Wage rates. Further, the State will not be liable for increased labor cost, errors in the rates or classifications, or changes to same prior to the awarding of Contracts. Information pertaining to the prevailing wage rates, prevailing hours of labor and hourly basic rates are included in this specification. Said wage rates must be posted in at least one conspicuous place for the employees working on the project.

Any Contractor, subcontractor, or agent, who, after executing a contract in compliance with this section, pays to any laborer, workman, or mechanic employed directly on the project, a lesser wage for work done on the project than the prevailing wage rate, shall be subject to fine and imprisonment. This misdemeanor is punishable by a fine of not more than \$700, or imprisonment for not more than 90 days, or both. Each agent or subcontractor shall furnish to the contractor evidence of compliance with this section. Each day a violation of this section continues is a separate offense

In accordance with Minnesota Statutes 177.43, sub. 6a, upon issuance of a notice of a compliance order and withholding order issued by the Department of labor and Industry to the Contractor or subcontractor or another employer pursuant to section 177.27, sub. 4 for violation of sections 177.41 to 177.44, the Owner, as the contracting authority shall withhold payment of sufficient sum to the prime or general contractor on the project to satisfy the back wages assessed or otherwise cure the violation, and the owner must withhold the sum ordered until the compliance order has become a final order and has been fully paid or otherwise resolved by the Contractor.

CPV Requirements:

To avoid any statutory penalties, each CPV member subject to Minnesota Statutes sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, who issue purchase orders against a State annual contract for construction need to collect certified payroll records containing the information required in Minnesota Statutes section 177.30.

IF YOU HAVE QUESTIONS REGARDING THE PREVAILING WAGE LAWS, CONTACT THE DEPARTMENT OF LABOR AND INDUSTRY AT 651.284.5091.

MnDOT PREVAILING WAGE PAYROLL REPORTING REQUIREMENT

To meet Minn. Stat. § 177.43 requirement, the Contractor and Subcontractor(s) shall submit payroll forms according to MnDOT (Labor Compliance Unit, Mail Stop 650, 395 John Ireland Blvd., St. Paul, MN 55155-1899) requirements.

- A. All contractors shall submit a payroll statement to the department (Minn. Stat. § 177.44, subd. 7). The statement shall be submitted based on the contractor's payment schedule. If a contractor pays its employees weekly, a payroll statement shall be submitted weekly. If a contractor pays its employees biweekly, a payroll statement shall be submitted biweekly (MnDOT Contract Administration Manual, Section .320). All contractors shall pay its employees at least once every 15 days on a date designated in advance by the employer (Minn. Stat. § 181.10).

Each statement submitted shall include all employees that performed work under this contract and provide at a minimum the following information (Minn. Rules 5200.1106, Subpart 10 and Minn. Stat. § 177.30):

1. Contractor's name, address, and telephone number.
 2. State project number.
 3. Payroll report number.
 4. Project location.
 5. Workweek ending date.
 6. Name, social security number, and home address for each employee.
 7. Labor classification(s) and/or three-digit code for each employee.
 8. Hourly straight time and overtime wage rates paid to each employee.
 9. Daily and weekly hours worked in each labor classification, including overtime hours for each employee.
 10. Authorized legal deductions for each employee.
 11. Project gross amount, weekly gross amount and net wages
- B. Payroll records may be submitted in any form provided it includes all the information contained in Subpart A (1 - 11) of this section. However, contractors needing a payroll form may utilize the "front side" of the U.S. Department of Labor's, WH-347-Payroll Form. This form is available by visiting the Labor Compliance website (www.dot.state.mn.us/const/labor/).
- C. All payroll records must be accompanied with a completed and signed MnDOT, 21658 - Statement of Compliance Form (Minn. Rules 5200.1106, Subpart 10).
- D. The prime contractor is responsible for assuring that its payroll records and those of all subcontractors include all employees that performed work under this contract and accurately reflect the hours worked, regular and overtime rates of pay and classification of work performed (Minn. Stat. § 177.30(1)(2)(3)(4)).
- E. The Prime Contractor is responsible to maintain all certified payroll records, including those of all subcontractors, throughout the course of a construction project and retain all records for a period of three years after the final contract voucher has been issued (Minn. Stat. § 177.30(4)).
- F. At the end of each pay period, each contractor shall provide every employee, in writing, an accurate, detailed earnings statement (Minn. Stat. § 181.032).
- G. Upon request from the Minnesota Department of Labor and Industry (MN/DOLI) or the Department, the Prime Contractor shall promptly furnish copies of payroll records for its workers and those of all subcontractors, along with other records, deemed appropriate by the requesting agency to determine compliance with these contract provisions (Minn. Stat. § 177.44, subd. 7 and Minn. Rules 5200.1106, Subpart 10).
- H. At the department's discretion, the project engineer may administer the submission of payroll records according to MnDOT's Payroll Maintenance Program. The guidelines for the implementation and administration of this program are outlined in the MnDOT Contract Administration Manual, Section A (4)(d).
- I. If, after written notice, the prime contractor fails to submit its payroll reports and certification forms and those of any subcontractor, the department may implement the actions prescribed in State Funded Construction Contracts Special Provisions Division A – Labor, Section XVI. NON-COMPLIANCE AND ENFORCEMENT available on-line at: <http://www.dot.state.mn.us/const/labor/documents/contractdocs/specprodivastate.pdf>

SPECIFICATIONS FOR SMALL SCALE BITUMINOUS PAVING & REPAIR

PART 1 GENERAL **1.01 SUMMARY**

- A. Section Includes:
 - 1. Quality control and quality assurance.
 - 2. Preparation and precautions.
 - 3. Erosion control.
 - 4. Traffic control and protections.
 - 5. Establishment of grade.
 - 6. Clearing and demolition.
 - 7. Subgrade preparation and earthwork.
 - 8. Utility adjustments.
 - 9. Aggregate base.
 - 10. Cast-in-place concrete, cement, aggregates, and admixtures for the following:
 - a. Curb and gutter.
 - b. Drive aprons.
 - c. Patching
 - 10. HMA paving and curbing.
 - 11. Crack sealing.
 - 12. Pavement sealing.
 - 13. Patching.
 - 14. Leveling.
 - 15. Overlaying.
 - 16. Tolerances.
 - 17. Tests and inspections (Owner option).
 - 18. Cleanup and disposal.
- B. Unit Price Measurement and Inclusion:
 - a. Concrete Curb Removal
 - 1) Measurement: lineal foot
 - 2) Includes: Sawcutting, removal of curb and aggregate base material, stockpiling, loading, and off-site disposal.
 - b. Concrete Curb and Gutter
 - 1) Measurement: lineal foot
 - 2) Includes: Subgrade preparation and provision of concrete curb and gutter including control and expansion joints.
 - c. HMA Curb
 - 1) Measurement: lineal foot
 - 2) Includes: Surface cleaning, provision of tack coat and curbing.
 - d. Weed Removal from Cracks
 - 1) Measurement: lineal foot
 - 2) Includes: Removal and off-site disposal of weeds from cracks.
 - e. Soil Sterilant for Cracks
 - 1) Measurement: lineal foot
 - 2) Includes: Provision of soil sterilant for cracks.
 - f. Backer Rod for Crack Sealing
 - 1) Measurement: lineal foot
 - 2) Includes: Provision of backer rod for crack sealing.
 - g. Crack Sealing
 - 1) Measurement: lineal foot
 - 2) Includes: Cleaning and drying of crack, provision of sealant and protective measures against pick-up.
 - h. Subsurface Drainage System
 - 1) Measurement: lineal foot
 - 2) Includes: Subgrade preparation and provision of drainpipe and fittings, coarse filter aggregate, geotextile drainage fabric, and connection to outfall structure (if required).

- i. Bituminous Pavement Removal (Non-mill)
 - 1) Measurement: square yard, aerial extent of removal area
 - 2) Includes: Sawcutting, removal of bituminous pavement and curbing, stockpiling, loading, and off-site disposal.
- j. Concrete Pavement Removal (Non-mill)
 - 1) Measurement: square yard, aerial extent of removal area
 - 2) Includes: Sawcutting, removal, stockpiling, loading, and off-site disposal.
- k. Concrete Drive Apron
 - 1) Measurement: square yard
 - 2) Includes: Subgrade preparation and provision of concrete pavement for drive aprons. Control and expansion joints are to be paid for as a separate line item (as specified herein).
- l. Concrete Patching
 - 1) Measurement: square yard, aerial extent of patch at surface.
 - 2) Includes: Surface cleaning, provision of patching concrete to match surrounding concrete for type, color, and surface texture.
- m. HMA Paving
 - 1) Measurement: square yard
 - 2) Includes: Subgrade preparation, provision of tack coat(s) and HMA, placing, compacting, and rolling.
- n. Aggregate Base
 - 1) Measurement: square yard
 - 2) Includes: Subgrade preparation, stockpiling, loading, placing, moisture conditioning, and compacting.
- o. Pavement Sealing - Fog Seal
 - 1) Measurement: square yard
 - 2) Includes: Surface cleaning and provision of fog seal.
- p. Pavement Sealing - Seal Coat
 - 1) Measurement: square yard
 - 2) Includes: Pre and post surface cleaning, and provision of seal coating.
- q. Overlaying
 - 1) Measurement: square yard
 - 2) Includes: Surface cleaning, provision of tack coat and HMA, placing, compacting, rolling.
- r. Brush Removal
 - 1) Measurement: square yard
 - 2) Includes: Removal of brush and groupings of trees including their root systems within 18 inches (minimum) of grade, off-site disposal.
- s. Bituminous Pavement Removal (Mill)
 - 1) Measurement: square yard, aerial extent of milled area
 - 2) Includes: Milling bituminous pavement, off-site disposal of millings.
- t. Leveling Courses
 - 1) Measurement: square yard, aerial extent of top leveling course
 - 2) Includes: Surface cleaning, provision of tack coat(s) and HMA, placing, compacting, and rolling.
- u. HMA Patching
 - 1) Measurement: square yard, aerial extent of top of patch
 - 2) Includes: Subgrade preparation, provision of tack coat(s) and HMA, placing, compacting, and rolling.
- v. Cold Mix Patching
 - 1) Measurement: square yard, aerial extent of top of patch
 - 2) Includes: Surface cleaning, provision of cold mix asphalt, placing, compacting, and rolling.
- w. Common Excavation (local reuse)
 - 1) Measurement: cubic yard (embankment volume, prior to excavation)

- 2) Includes: Excavating, stockpiling, loading, reusing soil materials in the Work which meet the requirements for Select Suitable Material and Select Granular Material, subgrade preparation, placing, moisture conditioning, and compacting.
- x. Common Excavation (export)
 - 1) Measurement: cubic yard (embankment volume, prior to excavation)
 - 2) Includes: Excavating, stockpiling, loading, and exporting all types of soil materials.
- y. Rock Excavation (local reuse)
 - 1) Measurement: cubic yard (embankment volume, prior to excavation)
 - 2) Includes: Removal by non-standard heavy equipment such as jack-hammer or other similar approved techniques, excavating, stockpiling, loading, reusing materials in the Work, subgrade preparation, crushing, placing, and compacting material.
- z. Rock Excavation (export)
 - 1) Measurement: cubic yard (embankment volume, prior to excavation)
 - 2) Includes: Removal by non-standard heavy equipment such as jack-hammer or other similar approved techniques, excavating, stockpiling, loading, and exporting.
- aa. Select Granular Borrow
 - 1) Measurement: cubic yard
 - 2) Includes: Subgrade preparation and supplying, loading, importing, stockpiling, placing, and compacting soil material meeting the requirements for Select Granular Material.
- ab. Tree Removal
 - 1) Measurement: each, caliper measured 3 feet above grade
 - 2) Includes: Removal of tree and root system within 18 inches (minimum) of grade, off-site disposal.
- ac. Utility Adjustment - Manhole/Inlet Rings
 - 1) Measurement: each
 - 2) Includes: Provision or removal of concrete adjusting rings and setting rim of manole or inlet casting.
- ad. Utility Adjustment - Valve Boxes
 - 1) Measurement: each
 - 2) Includes: Provision or removal of materials and Work associated with setting top of valve box.
- ae. Quality Control Tests & Inspections
 - 1) Measurement: each per project area
 - 2) Includes: Testing and inspection services of a testing agency as described in the "Tests and Inspections (Owner option)" article herein (Part 3).

1.02 INDUSTRY STANDARDS

- A. Applicability of Standards: Unless the Contract Documents include more stringent requirements, applicable construction industry standards have the same force and effect as if bound or copied directly into the Contract Documents to the extent referenced. Such standards are made a part of the Contract Documents by reference.
- A. Publication Dates: Comply with standards in effect as of date of the Contract Documents unless otherwise indicated.

1.03 REFERENCES

- A. Minnesota Department of Transportation (MnDOT) Standard Specifications for Construction - 2020 Edition. The MnDOT Standard Specifications for Construction are available on-line at: <https://www.dot.state.mn.us/pre-letting/spec/index.html> Wherever in the specifications reference is made to a number preceded by "MnDOT", the reference shall be understood to mean that numbered section of the Department of Transportation specifications, except that provisions for measurement and payment shall not apply and all costs in connection therewith shall be included in the pricing response for the work in this RFB.
- B. Minnesota Department of Transportation (MnDOT), standard plates updated at: <https://standardplates.dot.state.mn.us/StdPlate.aspx>
- C. Minnesota Pollution Control Agency (MPCA), General Permit MN R100001, Authorization to Discharge Storm Water Associated with Construction Activity Under the NPDES/SDS Permit Program. Permit

requirements may be obtained by calling the MPCA at 800-657-3864 or on the internet at www.pca.state.mn.us/water/stormwater/stormwater-c.html.

- D. Minnesota Asphalt Pavement Association (MAPA), Asphalt Paving Design Guide. This guide may be obtained by calling MAPA at 651-636-4666 or on the internet at www.asphaltisbest.com.
- E. ASTM C 136 - Standard Test Method for Sieve Analysis of Fine and Coarse Aggregates; 2014.
- F. ASTM D 1188 - Standard Test Method for Bulk Specific Gravity and Density of Compacted Bituminous Mixtures Using Paraffin-Coated Specimens; 2007e1.
- G. ASTM D 1556 - Standard Test Method for Density and Unit Weight of Soil in Place by the Sand-Cone Method; 2015.
- H. ASTM D 1557 - Standard Test Methods for Laboratory Compaction Characteristics of Soil Using Modified Effort (56,000 ft-lbf/ft³ (2,700 kN m/m³)); 2012.
- I. ASTM D 2041 - Standard Test Method for Theoretical Maximum Specific Gravity and Density of Bituminous Paving Mixtures; 2011.
- J. ASTM D 2487 - Standard Practice for Classification of Soils for Engineering Purposes (Unified Soil Classification System); 2000.
- K. ASTM D 2726 - Standard Test Method for Bulk Specific Gravity and Density of Non-Absorptive Compacted Bituminous Mixtures; 2004.
- L. ASTM D 4318 - Standard Test Methods for Liquid Limit, Plastic Limit, and Plasticity Index of Soils; 2000.
- M. ACI 211.1 - Standard Practice for Selecting Proportions for Normal, Heavyweight, and Mass Concrete; American Concrete Institute International; 1991 (Reapproved 2009).
- N. ACI 301 - Specifications for Structural Concrete for Buildings; American Concrete Institute International; 2010.
- O. ACI 304R - Guide for Measuring, Mixing, Transporting, and Placing Concrete; American Concrete Institute International; 2000 (Reapproved 2009).
- P. ACI 305R - Hot Weather Concreting; American Concrete Institute International; 2010.
- Q. ACI 306R - Cold Weather Concreting; American Concrete Institute International; 1990 (Reapproved 2002).
- R. ASTM C 33 - Standard Specification for Concrete Aggregates; 2013.
- S. ASTM C 39/C 39M - Standard Test Method for Compressive Strength of Cylindrical Concrete Specimens; 2012a.
- T. ASTM C 94/C 94M - Standard Specification for Ready-Mixed Concrete; 2013a.
- U. ASTM C 136 - Standard Test Method for Sieve Analysis of Fine and Coarse Aggregates; 2006.
- V. ASTM C 150 - Standard Specification for Portland Cement; 2012.
- W. ASTM C 173/C 173M - Standard Test Method for Air Content of Freshly Mixed Concrete by the Volumetric Method; 2012.
- X. ASTM C 260 - Standard Specification for Air-Entraining Admixtures for Concrete; 2010a.
- Y. ASTM C 309 - Standard Specification for Liquid Membrane-Forming Compounds for Curing Concrete; 2011.
- Z. ASTM C 494/C 494M - Standard Specification for Chemical Admixtures for Concrete; 2013.
- AA. ASTM C 618 - Standard Specification for Coal Fly Ash and Raw or Calcined Natural Pozzolan for Use in Concrete; 2012a.

- AB. ASTM C 685/C 685M - Standard Specification for Concrete Made by Volumetric Batching and Continuous Mixing; 2011.

1.04 DEFINITIONS & ABBREVIATIONS

- A. Aggregate Base - A well graded granular material placed over a stable subgrade as an integral component of the pavement section and to provide a base on which the pavement is constructed. Typically used for new paving projects.
- B. Asphalt Cement - A dark brown to black cementitious material in which the predominating constituents are bitumens which occur in nature or are obtained in petroleum processing.
- C. Cold Mix Asphalt - Typically, a mixture of cutback asphalt and aggregate mixed in a plant which may be used immediately or stockpiled for future use. Used for temporary repairs when HMA is unavailable due to seasonal constraints.
- D. Common Excavation - Excavation and local reuse of existing soils, and excavation and export of excess or Unsuitable Materials. For reused soils, includes placing, moisture conditioning, and compacting.
- E. Fine Aggregate (FA) - Fine aggregate as designated for use in pavement seal coats.
- F. Hot Mix Asphalt (HMA) - A high quality, thoroughly controlled hot mixture of asphalt cement and well graded, high quality mineral aggregate used to construct bituminous pavements.
- G. Leveling Course(s) - One or more courses of HMA of variable thickness, specifically intended to fill sags or depressions in the surface of an existing bituminous pavement prior to an overlay. Sometimes called a "wedge course."
- H. Lift - The maximum thickness of loose material that may be placed prior to compaction.
- I. Spot Repairs - Repairs to an existing pavement including crack repairs, patching, and leveling.

1.05 SUBMITTALS

- A. Submit the following:
 - 1. Report(s) that summarize pertinent field observations and determinations of material suitabilities, construction methods and operations, detailed test reports for testing as specified herein, and other applicable testing as determined during the course of construction.
 - 2. Documentation for the source of the materials incorporated in the Work.
 - 3. Job Mix Formula (JMF) for HMA prepared by an independent testing laboratory for acceptance. A JMF from a current project prepared by an independent testing Lab may be acceptable. Engineer supplied mix designs and similar recommendations are not part of this specification. Provide and pay for all Work required to develop the JMF. Do not place the bituminous courses prior to acceptance of the JMF by the Owner.

1.06 QUALITY CONTROL & QUALITY ASSURANCE

- A. Quality Control: The Contractor will perform quality control tests and inspections as necessary to achieve a quality product. Additionally, the Owner, at his option, may require tests and inspections to be provided from the Contractor as specified in the "Tests and Inspections (Owner Option)" article herein.
- B. Quality Assurance: The Owner, at his option, may perform quality assurance tests and inspections, independent of Contractor tests, to better ensure a quality product. Tests may include those specified under the "Testing and Inspections (Owner Option)" article specified herein.
 - 1. Perform Work as specified herein and according to MnDOT requirements, except as modified herein. Where this specification differs from MnDOT requirements, the more stringent requirement governs.

1.07 MnDOT MODIFICATIONS

- A. General modifications to MnDOT standard specifications are described in this article. Specific modifications are specified elsewhere in this specification.
- B. Department is equivalent to the Owner.
- C. Owner may or may not retain professional services.
- D. Material source approvals are not part of this specification. Provide material and mixture quality control data to the Owner affirming quality of materials specified as required in "Submittals" article herein.
- E. Sampling and testing as specified herein. Acceptance schedules are not part of this specification.
- F. Growth curves and nuclear density testing is not required.
- G. Method of measurements and basis of payment as specified herein.

PART 2 - PRODUCTS

2.01 UNSUITABLE MATERIAL

- A. All mixtures of soil containing organic and inorganic matter such as humus, spongy matter, roots, stumps, muck, peat, rubbish, debris and other objectionable matter which may result in settlement or loss of integrity to surface pavements.

2.02 SUITABLE MATERIAL

- A. All mineral soil except topsoil and Unsuitable Material as specified herein. Maximum size of stone or fragmentary rock for use as fill is 3 inches, as measured in their greatest dimension.

2.03 SELECT SUITABLE MATERIAL

- A. Non-expansive mineral soil free of significant rock quantities, having a plasticity index of 15 or less, and a liquid limit of 35 or less, and free of any materials that may prevent attaining specified density. Maximum size of stone or fragmentary rock for use as fill is 3 inches, as measured in their greatest dimension. Select Granular Material meets the requirements for Select Suitable Material.

2.04 GEOTEXTILE DRAINAGE FABRIC

- A. MnDOT, specification section 3733, Type 1 geotextile.

2.05 COARSE FILTER AGGREGATE

- A. MnDOT, specification section 3149.2.H for Coarse Filter Aggregate.

2.06 SUBSURFACE DRAINAGE SYSTEM

- A. Drainpipe: MnDOT standard specification section 3278 for Type SP pipe with Class 2 slotted perforations.
- B. Coarse Filter Aggregate: As specified herein.
- C. Geotextile Drainage Fabric: As specified herein.

2.07 SELECT GRANULAR MATERIAL

- A. MnDOT standard specification section 3149.2.B2.
- B. Salvaged/recycled asphalt pavement may be used in accordance with MnDOT standard specification section 3149.2.A1 to meet the above gradation. No other salvaged/recycled material may be used.

2.08 AGGREGATE BASE

- A. MnDOT standard specification section 3138, Class 5, 100 percent crushed.
- B. Salvaged/recycled asphalt pavement may be used in accordance with MnDOT standard specification section 3138.A2. No other salvaged/recycled material may be used.

2.09 TACK COAT

- A. MnDOT standard specification section 2357.

2.10 HMA

- A. Use the HMA specified below depending on location in the state. For purposes of this specification, northern and southern Minnesota are divided by an east-west line from North Dakota to Wisconsin and intersecting the southern edge of Mille Lacs Lake.
- B. Northern Minnesota: MnDOT standard specification section 2360 Designation SPWEA330B for Wear Courses and SPNWA330B for Non-Wear Courses, all virgin aggregate, , except as amended in the "Modifications" below. Asphalt content of mixture per MnDOT Standard specification section 2360.E5.
- C. Southern Minnesota: MnDOT standard specification section 2360 Designation SPWEA330L for Wear Courses and SPNWA330L for Non-Wear Courses, all virgin aggregate, except as amended in the "Modifications" below. Asphalt content of mixture per MnDOT Standard specification section 2360.E5.

2.11 CRACK SEALANT & BACKER ROD

- A. Backer Rod: Compressible, non-shrinking, non-absorbent material with melting point higher than sealant temperature. Width must be about 25% wider than crack so it doesn't slip down, or float out after installing the sealant.
- B. Sealant:
 - 1. MnDOT standard specification section 3719, hot-poured, crumb rubber type.
 - 2. Assume responsibility for ensuring that material is from a MnDOT certified source. Preapproval of lots is not part of this specification.

2.12 PAVEMENT SEALANTS

- A. Bituminous Fog Seal: MnDOT standard specification section 2355.
- B. Bituminous Seal Coat: MnDOT standard specification section 2356. Aggregate gradation according to MnDOT standard specification section 3127 for gradation FA-1 or other 3127 gradation as per Owner or his designated representative.

2.13 COLD MIX ASPHALT

- A. Cold-mix asphalt, also called stockpile patching mixture to comply with discontinued MnDOT Standard Specification Section 2381 or approved equivalent. (see attachment).

2.14 CONCRETE MATERIALS

- A. Cement: ASTM C 150 Normal - Type I Portland type, gray color. Use different color as necessary to best match existing adjacent concrete pavement or as required by Owner.
- B. Fine and Coarse Mix Aggregates: ASTM C 33, and the following additional requirements:
 - 1. Deleterious substances:
 - a. Maximum of 0.5% by weight of clay lumps and friable particles.
 - b. Maximum of 3.0% by weight of material finer than No. 200 sieve.
 - c. Maximum of 0.5% by weight of lignite and shale.
 - 2. When fine aggregate is tested for potential reactivity by chemical method in accordance with ASTM C 289, relationship between quantity Rc (reduction in alkalinity) and quantity Sc (dissolved silica) must indicate that material is innocuous.
 - 3. Aggregate for exterior concrete must be ASTM C 33 size number 67 (3/4 inch to No. 4) and must be 100 percent crushed quarry rock composed of basalt, quartzite, granite, limestone or dolomite. For toppings or repairs less than 2 inches in thickness use ASTM C33 size number 9.
 - 4. When subjected to 5 cycles of soundness test using magnesium sulfate in accordance with ASTM C 88, coarse aggregate must have a loss of not more than 18 percent.
 - 5. Coarse aggregate must have maximum abrasion loss of 40 percent by weight when tested in accordance with ASTM C 131, Grading B.
- C. Exposed Aggregate: Aggregates for exposed aggregate finish concrete must meet the size requirements for ASTM C 33 size number 8 and be a multi-colored natural river stone. Commonly referenced as "McDonald's Mix."
- D. Admixtures
 - 1. Meet requirements of ASTM C494 or ASTM C 260.
 - 2. Fly Ash
 - a. Addition of fly ash to regular weight and lightweight concrete mixes to reduce amount of cement is permissible as specified herein.
 - b. ASTM C 618, Class C
 - c. When used in exposed concrete it must be used throughout for uniform color.

- d. Weight of fly ash added to mixes must be greater than reduction of weight of cement, with proportions of cement and fly ash selected for 28-day compressive strengths equal to those specified. Maximum reduction in weight must not exceed 15 percent of specified amount.
- 3. Water Reducing Admixtures: ASTM C494, Type A.
- 4. Water Reducing, Retarding Admixture: ASTM C 494, Type D.
- 5. High Range Water Reducing Admixture (Superplasticizer): ASTM C 494, Type F or G.
- 6. Non-corrosive, Non-chloride Accelerator: ASTM C 494, Type C or E.
- 7. Air-entraining Admixture: ASTM C 260.
- E. Water: Potable, and not detrimental to concrete.
- F. Acid Etch Solution: Muriatic type.
- G. Curing Compound: ASTM C 309, Type 1, Class A.
- H. Expansion Joint Fillers (backing for sealant by others):
 - 1. Flexible, compressible, closed cell polyethylene foam, not less than 10 psi compression deflection.
- I. Expansion Joint Fillers (not intended for sealant):
 - 1. MnDOT standard specification section 3702.
- J. Non-slip aggregate finish: Corundum (45% aluminum oxide & 24% ferric oxide grits) or aluminum oxide (90% pure).

2.15 CONCRETE MIX DESIGN

- A. Proportioning Normal Weight Concrete: Comply with ACI 211.1 recommendations.
- B. Admixtures: Add acceptable admixtures as recommended in ACI 211.1 and at rates recommended by manufacturer.
- C. Concrete Properties:
 - 1. Compressive Strength, when tested in accordance with ASTM C 39/C 39M at 28 days: 4000 psi.
 - 2. Air entrainment: 6 percent entrained air with maximum tolerance of plus or minus 1.5 percent.
 - 3. Maximum slump: 4 inches, except those mixes containing super plasticizer.
 - 4. Minimum slump: 1 inch.

2.16 CONCRETE MIXING

- A. On Project Site: Mix in drum type batch mixer, complying with ASTM C 685. Mix each batch not less than 1-1/2 minutes and not more than 5 minutes.
- B. Transit Mixers: Comply with ASTM C 94/C 94M.

PART 3 - EXECUTION

3.01 PREPARATION & PRECAUTIONS

- A. Examination: Review slopes, elevations, grade, drainage, above and below grade utilities, and other conditions affecting the Work. Notify Owner of conditions which are unsatisfactory or detrimental to the proper and timely completion of the Work before starting Work. The start of Work constitutes that the Contractor is satisfied with the existing conditions.
- B. Permits: Obtain permits and approvals required to perform the Work.
- C. Precautions
 - 1. Buildings and Structures: Exercise extreme care near buildings or structures (e.g., manholes, retaining walls) to prevent damage.
 - 2. Utilities: Locate existing utilities that may be disturbed by excavation operations. Determine locations by notifying Gopher State One (1-800-252-1166) for locations of utilities and by coordinating with Owner and respective utilities. Excavate with discrete test pits to determine exact utility locations, if necessary. Excavate by hand near existing utilities. Pay costs for repairing utilities damaged by construction operations.
 - 3. Water: Prevent water from ponding in construction areas, or areas affected by construction, by carefully scheduling excavation and fill procedures, establishing and maintaining appropriate grading, and providing diversion ditches or other means.
 - 4. Sensitive Soils: Subgrade soils in various areas of Minnesota may be sensitive to disturbance and may lose strength if improper construction equipment or techniques are employed. Such soils are typically cohesive soils such as silty sands. Work in sensitive soil areas using appropriate

equipment such as low ground pressure tracked excavators and non-vibratory compaction equipment, employed at slower speeds with a minimum of abrupt movements in order to avoid soil disturbance. Do not allow water to pond on these soils.

3.02 EROSION CONTROL

- A. This specification is intended for projects that are less than 1 acre in total disturbed area which includes the combined area of hard surface, aggregate and vegetated areas. Projects greater than 1 acre must comply with MPCA General Permit MN R100001. Obtain these permit requirements using the contact information in the "References" article herein. Additionally, local regulations (e.g., city, watershed district, Board of Water and Soil Resources - BWSR, Minnesota Department of Natural Resources - MDNR) may have erosion control requirements that are applicable to the Work. The Contractor is responsible to know such requirements and to provide measures to comply with them.
- B. Protect excavated areas from eroding and prevent soil from leaving the site.
- C. Do not begin earthwork operations until temporary measures are installed as necessary to protect adjacent storm sewer inlets, wetlands, streams, lakes, streets, property and the like from sediment transported by storm water runoff.

3.03 TRAFFIC CONTROL & PROTECTIONS

- A. Prior to performing Work, erect barricades to protect Work and traveling public, both vehicular and pedestrian in accordance with MnDOT specification section 1710. Protect Work until fully cured.
- B. Develop, provide, maintain, and remove traffic controls to the satisfaction of the Owner.
- C. The Owner will not approve plans for technical competence.
- D. Completely remove traffic control barricades and other temporary measures after completion of the Work, including applicable curing times. Assume responsibility for damage to the Work due to premature removal of traffic control and protective measures.
- E. A "Contract Traffic Control Plan" is not part of this specification.

3.04 ESTABLISHMENT OF GRADES

- A. Establish grades and set grade stakes as necessary to complete the Work.
- B. Grade paved areas uniformly to match surrounding existing pavement without awkward or abrupt transitions and to provide positive drainage free of puddling. Grade at a continuous positive slope of 2 percent (minimum) and 5 percent (maximum) to drainage provisions (e.g., catch basins, swales) to prevent puddles immediately after rain events. Additionally, do not allow standing water at pavement edges immediately after rain events for finished condition.
- C. In the case of repairs or overlays, provide finished product which drains as good or better than the preexisting condition. Drain to preexisting drainage provisions or new drainage provisions as coordinated with the Owner prior to the start of construction.
- D. Grade embankments outside of new paved areas at a maximum slope of 3 horizontal to 1 vertical.

3.05 CLEARING & DEMOLITION

- A. Clear Site: Completely remove trees, brush, shrubs, curbs, sidewalks, pavements, and other items or obstructions within the area of new construction. Do not remove items that must remain, such as utilities, pavements intended for overlaying, or other items designated by the Owner. For questionable items, notify Owner to determine if they are to be removed.
- B. Pavement Removal (Non-milling Option)
 - 1. For new pavement installed to match existing pavement, and for spot repairs prior to removing damaged pavement, provide a uniform sawcut edge for new pavement to be placed against. Locate sawcut edge in sound material a minimum of 1 foot all around substandard pavement area, or around area of pavement requiring removal for other reasons. For spot repairs, provide square or rectangular shaped removal area with 2 sides at right angles to the direction of traffic.
 - 2. Sawcut in a neat and straight edge perpendicular to the surface a minimum of 3 inches in depth. Do not use jack hammers for top 3 inches of the edge. Jack hammering may be used below this depth to remove remaining bituminous pavement provided jack hammering is done vertically without a rocking back and forth motion, in order to provide a neat vertical edge perpendicular to the pavement surface.

3. Remove damaged pavement and underlying aggregate base material with rubber tired heavy equipment appropriate to the type and size of the pavement requiring removal.
 4. Curb Removal: Where existing adjacent pavement will remain, provide a uniform sawcut edge a distance of 1 foot from bituminous curb. Remove pavement and curb from this sawcut edge.
- C. Pavement Removal (Milling Option)
1. Milling out of substandard pavement may be performed in lieu of sawcutting/pavement removal. Mill out the substandard pavement to a minimum of 1 foot all around substandard pavement area to result in a square or rectangular shaped removal area with 2 sides at right angles to the direction of traffic.
 2. Mill edges in a neat and straight edge perpendicular to the surface.
- D. Burning Prohibited: The use of burning is prohibited.
- E. Blasting Prohibited: The use of any type of explosives is prohibited.
- F. Protection: Protect trees and other features outside the area of new construction.
- G. Contractor Damage: Repair damage to existing surfaces and features resulting from Contractor operations to preexisting or better condition at no cost to the Owner. This includes, but is not limited to, disintegration, depressions, gouges, tire marks, stains and the like.
- H. Debris Removal: Unless materials are reused in the Work as specified herein, remove demolition debris generated from Work off the limits of the site. Recycle to the maximum extent practicable.

3.06 SUBGRADE PREPARATION & EARTHWORK

- A. General Requirements (applies to new paving and patch repairs to existing pavement)
1. Excavation:
 - a. Grade to required section accounting for aggregate base, bituminous pavement thicknesses, and other surfacing (e.g., topsoil, concrete) that may be specified elsewhere, and so that positive drainage is achieved as described in the "Establishment of Grade" article herein.
 - b. Remove topsoil, Unsuitable Material and soft soils.
 2. Subgrade Compaction: Compact subgrade to achieve a firm foundation.
 3. Moisture Conditioning (cohesive soils): If necessary to achieve compaction for cohesive soils, disc or scarify soil to a depth of 6 inches, then aerate or sprinkle with water to facilitate compaction for a firm subgrade (typical moisture content of soil within 2 percent of optimum).
 4. Do not place fill in standing water, over softened soils, or on frozen ground where frost has penetrated greater than 2 inches.
 5. Do not use frozen fill.
 6. Work adjacent to structures with equipment that will not damage the structure.
 7. If inspections or soil testing indicate that the Work has not been provided in compliance with these specifications, remove the substandard Work and replace at no additional cost to the Owner.
 8. Remove from the site excess soils, topsoil, and Unsuitable Materials.
- B. New Paving
1. Rock Removal: Remove rock as necessary and as approved by Owner.
 2. Subgrade Proofrolling: During a time of good weather and with the soils at the proper moisture content, proofroll the subgrade with a loaded dump truck at a speed of 2 to 3 miles per hour. Remove soils in areas that deflect more than 2 inches.
 3. Filling:
 - a. When more than one soil type is available on-site, use the type(s) exhibiting the better structural and drainage characteristics (e.g., granular soils).
 - b. Fill excavation where some type of loading will be imposed (e.g., pavement areas) with reusable Select Suitable Material or Select Granular Material for make-up soils, compacted in maximum of 6-inch loose lifts to the bottom of Aggregate Base, or the bottom of pavement in the case of full depth paving.
 - c. Compact to 100 percent Modified Proctor density (ASTM D1557).
 4. Seepage Water: Excavations that extend into wet, soft, or spongy areas within 36 inches of the finish grade may require special design considerations (e.g., Subsurface Drainage System) to ensure lasting pavement integrity. Notify the Owner for possible Engineer and/or testing agency inspection and recommendations prior to proceeding with the Work.

5. In no case should excavation exceed 36 inches from proposed finish grade. If firm subgrade is not achieved by this level, notify Owner for possible Engineer and/or testing agency inspection and recommendations prior to proceeding with the Work.

C. Patch Repairs to Existing Pavement

1. Within the limits of the repair area, remove Unsuitable Materials and soils with excessive deflection to the depth required to provide a firm foundation.
2. For excavations exceeding 12-inch depth (maximum full depth patch thickness), fill up to this depth with Select Granular Material compacted in maximum of 6-inch loose lifts. Thoroughly compact until there is no further evidence of consolidation.
3. For excavations with groundwater seepage, fill the excavation with Select Granular Material to the lowest elevation which will provide a firm subgrade free of excessive moisture. Fill no higher than 4 inches from the surface or to the bottom of existing pavement, whichever is at a lower elevation.
4. In no case should excavation exceed 36 inches.
5. Remove excavated materials off the limits of the site.

D. Subsurface Drainage System (Owner directed)

1. A Subsurface Drainage System, simply stated, maintains normally drained conditions in the overlying soils within its influence zone and consists of perforated pipe connected to an outfall (e.g., storm sewer manhole, daylighted to a swale). It should be no higher than 3 feet from finish grade, hydraulically connected to the soils it is intended to drain (typically drains the Aggregate Base or Select Granular Material below the pavement), sloped at a minimum of 2 percent, and outletted at an elevation above outfall water levels up to approximately a 10-year storm. It should be designed by an Engineer. If a Subsurface Drainage System is required as directed by the Owner or his designated representative, construct as follows.
2. Excavate to provide a minimum 6-inch thickness under and around the Drainpipe.
3. Place the Geotextile Drainage Fabric on the prepared subgrade, then place 6 inches (minimum) thickness of Coarse Filter Aggregate as fill. Compact material with a vibratory compactor.
4. Place the Drainpipe on the Coarse Filter Aggregate to the required layout and invert elevations with end cap at high end. Place additional Coarse Filter Aggregate 6 inches (minimum) all around the pipe.
5. Wrap the Geotextile Drainage Fabric around the Coarse Filter Aggregate with a 12 inch (minimum) overlap between the edges.
6. Place Select Granular Material compacted to 100% Modified Proctor between the Subsurface Drainage System and soils it is intended to drain in order to provide a hydraulic connection.

3.07 UTILITY ADJUSTMENTS

- A. Coordinate Work with existing or proposed utility surface features such as manhole and inlet rims, and valve boxes. Make adjustments, up or down, to these features so that finish grade of paving Work is flush with top of these features and to provide positive drainage of pavement. Make all adjustments prior to performing paving Work.
- B. Notify Owner of discrepancies immediately and prior to performing Work.
- C. Manhole rings: 1" thick increments.

3.08 AGGREGATE BASE

- A. Thickness for new paving: 6" or 12" as directed by the Owner or determine based on MAPA Asphalt Design Guide. The guide may be obtained by calling MAPA at 651-636-4666 or on the internet at: http://www.asphaltisbest.com/wp-content/uploads/2015/01/MAPA-Asphalt-Paving-Design-Guide_web.pdf.
- B. Place in maximum 4-inch loose lifts and compact to 100% Modified Proctor density (ASTM D1557).
- C. Extend aggregate base course a minimum of 1 foot beyond outside edge of new pavement and curb.

3.09 HMA PAVING

- A. Thickness for new paving: As directed by the Owner or determine based on MAPA Asphalt Design Guide. The guide may be obtained by calling MAPA at 651-636-4666 or on the internet at: http://www.asphaltisbest.com/wp-content/uploads/2015/01/MAPA-Asphalt-Paving-Design-Guide_web.pdf. The thickness of patch repairs and leveling is specified in the "HMA Patching" and "Leveling Courses" articles herein, respectively.

- B. Place the bituminous pavement in accordance with MnDOT standard specification section 2360.
- C. Provide a tack coat between lifts as specified herein.
- D. Maximum lifts: 4 inches for static steel-wheeled rollers, plate compactors, and tampers. 6 inches for pneumatic and vibratory rollers.
- E. Minimum lifts (non-overlays): 1.5 inches
- F. Compaction for New Paving: Compact to a minimum of 90% of the maximum theoretical densities (Rice test, ASTM D2401). Perform rolling as soon as the hot mix material can be compacted without displacement. Continue rolling with consecutive passes to achieve even and smooth finish without roller marks.
- G. Compaction for Patching, Leveling, and Overlaying: Compact according to MnDOT standard specification 2360 for the Ordinary Compaction Method until no further evidence of consolidation is evident.
- H. Small areas: For areas too small for a roller, compaction of bituminous pavement may be accomplished with vibrating plate compactor or hand tamper.

3.10 TACK COAT

- A. Perform Work according to MnDOT standard specification section 2357.

3.11 HMA CURBING

- A. Provide a tack coat at base of curb according to the "Tack Coat" article herein.
- B. Provide bituminous curbing in accordance with MnDOT standard specification 2535 and MnDOT standard plate 7065C.
- C. Backfill adjacent to back of curb as indicated in standard plate, if required by Owner.

3.12 CRACK SEALING

- A. Ideally, perform crack sealing in the early spring or late fall when temperatures are cool and cracks are open.
- B. Preparation:
 1. Weed Removal: Remove excessive weed growth that may prevent attaining a quality product. An approved commercial herbicide may be used, if necessary, but, remove weeds dead or alive, in either case.
 2. Clean and dry the crack by blowing out crack with a hot-air lance or compressed air.
 3. Soil Sterilant: Apply an approved soil sterilant to the entire length of the cracks to inhibit the future growth of weeds, if directed by the Owner.
 4. Backer Rod: If depth of crack is greater than 3/4 inch, install backer rod to conserve sealant. Set so that top of rod is 3/4 inch from top of crack.
- C. Application:
 1. Apply sealant in accordance with manufacturer's recommendations.
 2. Use double jacket melter to maintain proper temperature of the product during application.
 3. Insert sealant with an injection wand from bottom to the top of the crack to prevent air bubbles from forming and creating weak spots in the sealant.
 4. Strike off sealant with a squeegee to create overband.
- D. Protection (concession):
 1. If traffic protections are removed prior to the sealant being fully cured, lightly cover the sealant with fine sand, tissue paper, or liquid sealant barrier material (such as Glenzoi or equivalent) to protect the sealant against pick-up by tires. The determination of the type of sealant protection shall be with Owner agreement.

- E. Crack sealing as specified herein is intended for cracks up to 1/2 inch in width. For cracks greater than this width, remove pavement to within 1 foot on each side of the crack and patch according to the "Patching" article herein.

3.13 PAVEMENT SEALING

A. Preparation:

1. Verify that pavement repairs (e.g., crack sealing, patching, leveling), if any, have been completed prior to mobilizing to do the Work. Notify Owner of any discrepancies in a timely manner prior to beginning Work.
2. Ideally, perform sealing in the summer when temperatures are warm or hot.
3. Mechanically sweep pavement surfaces immediately prior to commencement of Work. Clean pavement surfaces of loose foreign matter. Verify that surfaces are dry.
4. Protect existing improvements (e.g., buildings, walks, curbs), overhanging trees, and plant life from heat damage by movable shielding or building paper. Restore damaged areas resulting from Contractor operations to preexisting or better condition at no cost to the Owner.
5. Protect utility structure lids and castings (e.g., manholes, inlets, valve boxes).

B. Application:

1. Fog Seal: Perform Work according to MnDOT standard specification 2355.
2. Seal Coat: Perform Work according to MnDOT standard specification 2356.
3. Apply coating material in a thin, uniform coating that is absorbed into the existing surface to produce a smooth, unblemished appearance.
4. Avoid excess application which may result in decreased skid resistance and pick-up on shoes or tires. Avoid too light an application which will not seal the small cracks (e.g., up to 1/8 inch).

3.14 HMA PATCHING

A. Preparation:

1. Remove damaged pavement according to the "Removal of Existing Pavements" article herein.
2. Remove substandard subgrade soils, inspect and prepare subgrade according to the "Subgrade Preparation" article herein.
3. Clean and dry bituminous edge and base of hole.

B. Application:

1. Tack coat: Apply a light application of bituminous Tack Coat to the sides of the existing bituminous pavement as specified in MnDOT standard specification 2360 and 2357.
2. HMA:
 - a. Use HMA as specified in the "HMA" article herein.
 - b. Place HMA according to the "HMA Paving" article herein.
 - c. Minimum total thickness: 4 inches or to match the thickness of the existing pavement, whichever is greater.
 - d. Maximum total thickness: 12 inches. Place this maximum thickness if subgrade soils require removal to this depth or deeper.
 - e. Small Areas:
 - 1) For small areas that do not allow the use of pavers to lay the HMA, shovel the HMA directly from the truck into the prepared excavation.
 - f. Lay and roll HMA while hot starting against the edges first. Deposit carefully to ensure a dense and homogenous cross section.
 - g. Level each lift of patch and spread with rakes, lutes or shovels to achieve uniform placement of homogenous material. Do not rake excessively to cause small materials to settle to bottom, leaving coarse materials on top. In no case should coarse material be left at the edges.
 - h. Lute or shovel loose mixture so that it aligns with the vertical edges of the patch.
 - i. Compact patch using a conventional power steel wheeled vibratory roller for large areas, or vibratory-plate compactor for small areas.
 - j. For final lift, compact by overlapping the first pass and return of the vibratory roller or plate compactor no more than 6 inches on to the patch on one side. Then move to opposite side and repeat the process. Next proceed at right angles to the compacted edges with each pass and return overlapping a few inches on to the encompassed mix. If there is a slope, compact from the low side to the high side to minimize shoving of the mix.
 - k. Finish patch to 1/8" to 1/4" higher than the surrounding pavement.

C. Cold Mix Patching (concession):

1. Temporary patching needed during cold weather when asphalt plants are not operational may be performed using cold mix substituted for HMA.
2. For this temporary repair, removal of damaged pavement is only required as necessary to facilitate cold mix application to achieve a smooth, firmly established driving surface.
3. Apply in maximum lifts of 2 inches, thoroughly compacted.

3.15 LEVELING COURSES

- A. Preparation: Clean and dry areas of the existing bituminous pavement surface that exhibit obvious sags and depressions, or as delineated by Owner, in order to restore proper line and grade. Reference the "Establishment of Grade" article herein for finish grade instructions.
- B. Application:
 1. Provide a tack coat at base of the leveling area according to the "Tack Coat" article herein.
 2. Use HMA as specified in the "HMA" article herein.
 3. Place HMA according to the "HMA Paving" article herein.
 4. Lay and roll HMA while hot. Deposit carefully to ensure a dense and homogenous cross section.
 5. Level each lift and spread with rakes, lutes or shovels to achieve uniform placement of homogenous material. Do not rake excessively to cause small materials to settle to bottom, leaving coarse materials on top. In no case should coarse material be left at the edges.
 6. Compact using a conventional power steel wheeled vibratory roller for large areas, or vibratory-plate compactor for small areas.
 7. For multiple lifts, place the first leveling course at the base of the sag or depression. Place subsequent lifts to overlap each preceding lift. Place the final (top) lift so that the edges overlap the preceding lift and tapers smoothly into existing pavement without awkward or abrupt grade transition. Remove Work for which leveling courses do not overlap and redo at no cost to the Owner.
 8. Leveling by removal of pavement may be allowed as specified in the "Overlaying" article herein.

3.16 OVERLAYING

- A. Preparation
 1. Verify that proposed overlay surfaces and adjacent undisturbed areas will drain properly without puddling for the new Work, and that pavement repairs (e.g., crack sealing, patching, leveling), if any, have been completed prior to mobilizing to do the Work. Do not perform overlaying over crack sealants less than 6 months old. Ideally, crack sealants should cure for 12 months. Notify Owner of any discrepancies in a timely manner prior to beginning Work.
 2. Mechanically sweep pavement surfaces immediately prior to commencement of Work. Clean pavement surfaces of loose foreign matter. Verify that surfaces are dry.
 3. Protect existing improvements (e.g., buildings, walks, curbs), overhanging trees, and plant life from heat damage by movable shielding or building paper. Restore damaged areas resulting from Contractor operations to preexisting or better condition at no cost to the Owner.
 4. Protect utility structure lids and castings (e.g., manholes, inlets, valve boxes).
- B. Minimum Clearances and Edge Treatment
 1. Where maintenance of a minimum clearance and/or the matching of an existing elevation are necessary, mill existing surface to the depth of the overlay thickness.
 2. Where overlay areas abut pavements (e.g., walks, concrete gutter), taper edges of pavement to be overlaid by milling so that pavements will be flush and will drain positively.
 3. Provide a smooth finish surface free of awkward or abrupt grade transitions.
 4. Do not disfigure adjacent Work.
 5. Discard millings off the limits of the site.
 6. For overlays which will not abut pavements, milling is not required. Instead, taper the overlay edge to minimize disintegration of the edge due to wear.
- C. Application of New Bituminous Wear Course
 1. Apply tack coat to non-milled areas according to "Tack Coat" article herein.
 2. Place HMA in temperatures of 50 degrees F or greater.
 3. Apply HMA according to "HMA Paving" article herein using a paver.
 4. Roll immediately after placement to achieve required density.

3.17 PLACING CONCRETE

- A. Thicknesses for New Paving

1. Walks: 4" minimum, or as directed by Owner
2. Other: As directed by Owner.

B. Reinforcing

1. Need for reinforcing as determined by Owner.
2. Layout and orientation
 - a. General pavements: 12" spacing each way. 2" minimum from edges of pavement, 3" minimum below pavement surface.
 - b. Aprons, curbs: Reinforcing for aprons and curbs as per applicable standard details.

C. Coordinate installation of snow melting components, if applicable.

D. Place concrete in accordance with ACI 304R.

E. Ensure reinforcement, inserts, embedded parts, formed joints are not disturbed during concrete placement.

F. Place concrete continuously over the full width of the panel and between predetermined construction joints. Do not break or interrupt successive pours such that cold joints occur.

G. Apply surface retarder to all exposed surfaces in accordance with manufacturer's instructions.

3.18 CONCRETE FINISHING

A. Paving and Patching: Light broom, texture perpendicular to pavement direction.

B. Median Barrier: Light broom, texture perpendicular to direction of travel with troweled and radiused edge 1/4-inch radius.

C. Curbs and Gutters: Light broom, texture parallel to pavement direction.

D. Inclined Ramps: Pedestrian - Exposed aggregate finish. Vehicular - Broomed finish perpendicular to slope.

E. Place curing compound on exposed concrete surfaces immediately after finishing. Apply in accordance with manufacturer's instructions.

3.19 CURB AND GUTTER

A. Insurmountable curb and gutter: Reference MnDOT standard plate number 7100 H for B612, B618, and B624 designs. This standard plate is updated at <http://standardplates.dot.state.mn.us/StdPlate.aspx>.

B. Surmountable curb and gutter: Reference MnDOT standard plate number 7102J for D412, D418, and D424 designs. This standard plate is updated at <http://standardplates.dot.state.mn.us/StdPlate.aspx>.

3.18 PATCHING

A. Preparation:

1. Remove damaged pavement according to the "Pavement Removal" article herein.
2. Remove substandard subgrade soils, inspect and prepare subgrade according to the "Subgrade Preparation and Earthwork" article herein.
3. Clean edge and base of patch area.

B. Minimum total thickness: 4 inches or to match the thickness of the existing pavement, whichever is greater.

C. Maximum total thickness: 12 inches. Place this maximum thickness if subgrade soils require removal to this depth or deeper.

D. Finish patch to match the surrounding pavement.

3.18 TOLERANCES

A. Finish Grade Uniformity: Maximum variation of 1/4 inch measured with 10-foot straight edge.

B. Variation from Plan Elevation (if applicable): Within 1/2 inch.

3.18 TESTS AND INSPECTIONS (OWNER OPTION)

- A. At the Owner's option, the following tests and inspections will be required as part of a quality control program. The Contractor will retain the testing agency and perform the quality control testing and inspection.
 - 1. In the presence of the testing agency, proofroll the compacted subgrade to determine soft areas and areas of excessive deflection which require removal.
 - 2. Mechanical analysis and classification (ASTM C136 and D2487), or Atterberg limits analysis (ASTM D4318) in the case of cohesive soils: Provide one representative test of the subgrade soils, and for each type of fill from a given source.
 - 3. Modified Proctor analysis (ASTM D1557): Provide one representative test of each type of soil for which density testing is required.
 - 4. Density test (ASTM D1556): Provide one representative test for subgrade and for each lift of fill soil.
 - 5. Thickness and field density of bituminous pavement cores (ASTM D2726) (ASTM D1188, if applicable). Provide two tests by core sample.
 - 6. If tests indicate Work does not meet specified requirements, remove work, replace and retest.
 - 7. Check evenness and grade tolerances using 10-foot straightedge or stringline for patch repairs and potential problematic areas evidenced by visual inspection.
- B. In addition to quality control, the Owner may at his option, perform tests and inspections as part of a quality assurance program independent of Contractor testing and inspection.
- C. If required by the Owner, provide certification that material furnished is in accordance with the contract.

3.19 CLEANUP & DISPOSAL

- A. Cleanup: Thoroughly police and rake the site and adjacent areas as required to provide neat clean surfaces. Restore areas disturbed by construction operations to original or better condition.
- B. Disposal: Remove excess materials from the site. Recycle appropriate excess materials to the maximum extent practicable and as specified herein.

3.20 MnDOT MODIFICATIONS

- A. General modifications to MnDOT specifications are described in this article. Specific modifications are specified elsewhere in this specification.
- B. Department is equivalent to the Owner.
- C. An Engineer may or may not be retained by the Owner.
- D. Sampling and testing as specified herein. Acceptance schedules are not part of this specification.
- E. Growth curves and nuclear density testing is not required.
- F. Method of measurements and basis of payment as specified herein.

END OF SECTION

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
PAVE IT LLC. 1471 HIGHVIEW AVE EAGAN, MN 55121	180305	NET 30	AS SCHEDULED
VENDOR NO.: 0000329257	CONTACT: Eric Peterson CONTACT: Mike Schultz Email: mike@paveitmn.com		PHONE: 763-807-7136 PHONE: 763-807-7136 FAX: 651-756-8050

COUNTIES AND PRICING: Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, & Washington counties.

[PAVE IT LLC - Price Schedule](#)

CONTRACT PERIOD: AUGUST 1, 2020, THROUGH JULY 31, 2025

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
FPI PAVING CONTRACTORS, INC. 3230 RICE ST SHOREVIEW, MN 55126	180304	NET 30	AS SCHEDULED
VENDOR NO.: 0000220119	CONTACT: Jessica Thury Email: jessicat@fpipaving.com		PHONE: 651-484-0385 FAX: 651-484-5327

COUNTIES AND PRICING: Aitkin, Anoka, Becker, Benton, Blue Earth, Carlton, Carver, Chisago, Clay, Crow Wing, Dakota, Dodge, Douglas, Freeborn, Goodhue, Hennepin, Isanti, Kanabec, Kandiyohi, Le Sueur, McLeod, Mille Lacs, Morrison, Mower, Nicollet, Olmsted, Pine, Ramsey, Rice, Scott, Sherburne, Sibley, St. Louis, Sterns, Steele, Wabasha, Waseca, Washington, Winona, & Wright counties.

[FPI PAVING CONTRACTORS INC - Price Schedule](#)

CONTRACT PERIOD: AUGUST 1, 2020, THROUGH JULY 31, 2025

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
BITUMINOUS ROADWAYS, INC. 1520 COMMERCE DRIVE MENDOTA HEIGHTS, MN 55120	180300	NET 30	AS SCHEDULED
VENDOR NO.: 0000192548	CONTACT: Pam Hague Email: haguep@bitroads.com		PHONE: 651-287-7001 FAX: 651-687-9857

COUNTIES AND PRICING: Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

[BITUMINOUS ROADWAYS INC Price Schedule](#)

CONTRACT PERIOD: AUGUST 1, 2020, THROUGH JULY 31, 2025

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
OPP CONSTRUCTION, LLC. PO BOX 13530 GRAND FORKS, ND 58208	180301	NET 30	AS SCHEDULED
VENDOR NO.: 0000198989	CONTACT: Greg Opp Email: gregopp@oppconstruction.com		PHONE: 701-775-3322 FAX: 701-795-7020

COUNTIES AND PRICING: Kittson, Marshall, Norman, Pennington, Polk, and Red Lake counties.

[OPP CONSTRUCTION LLC - Price Schedule](#)

CONTRACT PERIOD: AUGUST 1, 2020 THROUGH JULY 31, 2025

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
PARAGON PAVING, INC. PO BOX 240934 St PAUL, MN 55124	224638	NET 30	VARIES ARO
VENDOR NO.: 0000272345	CONTACT: Richard Kelly Email: 112646@gmail.com		PHONE: 651-269-1317 FAX: 651- 488-1810

COUNTIES AND PRICING: Aitkin, Anoka, Becker, Benton, Big Stone, Blue Earth, Brown, Carlton, Carver, Cass, Chippewa, Chisago, Clay, Cottonwood, Crow Wing, Dakota, Dodge, Douglas, Faribault, Fillmore, Freeborn, Goodhue, Grant, Hennepin, Houston, Hubbard, Isanti, Jackson, Kanabec, Kandiyohi, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, McLeod, Meeker, Mille Lacs, Morrison, Mower, Murray, Nicollet, Nobles, Norman, Olmsted, Otter Tail, Pine, Pipestone, Polk, Pope, Ramsey, Redwood, Renville, Rice, Rock, Scott, Sherburne, Sibley, St Louis, Stearns, Steele, Stevens, Swift, Todd, Traverse, Wabasha, Wadena, Waseca, Washington, Watonwan, Wilkin, Winona, Wright and Yellow Medicine counties.

[PARAGON PAVING INC Price Schedule](#)

CONTRACT PERIOD: AUGUST 1, 2020, THROUGH JULY 31, 2025

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
ULLAND BROS, INC. 2501 E. MAIN STREET ALBERT LEA, MN 56007	246656	NET 30	VARIES ARO
VENDOR NO.: 0000195693	CONTACT: Andy Erichson Email: aerichson@ulland.com		PHONE: 507-373-1960 FAX: 507-373-6360

COUNTIES AND PRICING: Blue Earth, Faribault, Freeborn, Martin, Mower, Steele, and Waseca counties.

[ULLAND BROS INC Price Schedule](#)

CONTRACT PERIOD: APRIL 15, 2024, THROUGH JULY 31, 2025

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
KNIFE RIVER CORP – NORTH CENTRAL 4787 SHADOW WOOD DRIVE NE SAUK RAPIDS, MN 56379-9431	246664	NET 30	VARIES ARO
VENDOR NO.: 0000210000	CONTACT: Bryan Pearson Email: bryan.pearson@kniferiver.com		PHONE: 320-251-9472 FAX: 320-251-0011

COUNTIES AND PRICING: Aitkin, Benton, Cass, Chisago, Crow Wing, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, and Wright counties.

[KNIFE RIVER Price Schedule](#)

CONTRACT PERIOD: APRIL 17, 2024, THROUGH JULY 31, 2025

<u>CONTRACT VENDOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>RESPONSE TIME</u>
T&D LLC, D.B.A. NORTHSTAR CONTRACTING 1313 6 TH AVE. N., MOORHEAD, MN 56560	249723	NET 30	VARIES ARO
VENDOR NO.: 0001136358	CONTACT: Dusti Ewing Email: northstar.contracting@outlook.com		PHONE: 701-219-9873 FAX:

COUNTIES AND PRICING: Becker, Beltrami, Cass, Clay, Clearwater, Hubbard, Otter Tail, Stevens, Traverse, Wadena, and Wilkin counties.

[NorthStar Contracting Price Schedule](#)

CONTRACT PERIOD: MAY 25, 2024, THROUGH JULY 31, 2025

REVISIONS.

06-06-2024	Bituminous Roadways Inc., extended contract 180300 at the same terms, prices, and conditions.
06-03-2024	T&D LLC d.b.a. NorthStar Contracting has been awarded contract 246664 through SWIFT Event No. G0210-2000015405.
05-24-2024	Opp Construction, LLC, extended their contract through 7/31/2025, with revised pricing and added counties to area of service through SWIFT Event No. G0210-2000015405. All other specifications, terms, and conditions remain unchanged.
04-17-2024	Knife River Corp – North Central has been awarded contract 246664 through SWIFT Event No. G0210-2000015405.
04-15-2024	Ulland Bros Inc has been awarded contract 246656 through SWIFT Event No. G0210-2000015405.
04-09-2024	FPI Paving Contractors Inc; Pave It LLC; and Paragon Paving Inc; have extended their contracts through 7/31/2025, with revised pricing and added counties to area of service through SWIFT Event No. G0210-2000015405. All other specifications, terms, and conditions remain unchanged.
07-10-2023	Vendor ID for Paragon Paving Inc Updated from 0000922363 to 0000272345
07-10-2023	Bituminous Roadways Inc; Opp Construction LLC; FPI Paving Contractors Inc; Pave It LLC; and Paragon Paving Inc; have extended their contracts through 7/31/2024 at the same terms, prices, and conditions.

03-31-2023 AMS/Buyer change from Ryan Normandin to John H. Roth

02-16-2023 Assignment Agreement transferring contract from Paragon Company to Paragon Paving.

08-01-2022 Opp Construction, LLC, Bituminous Roadways Inc., Paragon Company, and FPI Paving Contractors, Inc. extended their contracts through 7/31/2023 at the same terms, prices, and conditions. Pave It, LLC extended through 7/31/2023 with revised pricing included in Amendment 1.

06-21-2021 Point of contact for FPI Paving changed from Chad Nelson to Jessica Thury.

05-01-2021 Pave It LLC is no longer a TG vendor.

04-02-2021 FPI Paving Contractors Inc. added to Nicollet County. Originally, they were omitted due to a clerical error.

09-01-2020 AMS/Buyer change from Phil Johnson to Ryan Normandin.

08-18-2020 Revised contract number for Paragon Company, Inc.



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 6A

DEPARTMENT: Finance

FILE TYPE: Regular - Action

TITLE

Approval Of The Operating Budget (Excluding Public Housing And Housing Voucher Operating Budgets) For The Fiscal Year Ending June 30, 2026

PURPOSE/ACTION REQUESTED

Approve the operating budgets (excluding the Public Housing and Housing Voucher operating budgets) for the fiscal year ending June 30, 2026.

SUMMARY

The proposed operating budget (excluding the Public Housing and Housing Voucher operating budgets) for the fiscal year ending June 30, 2026, projects revenue of \$59,939,246, expense of \$48,891,910, and net transfers in of \$110,000 for an increase in reserves and budgetary fund balance of \$11,157,336.

Subfund/Program	Revenue	Expense	Transfers In (Out)	Reserves & Fund Balances
Total Public Housing/Hsg Voucher	36,642,405	36,841,280	(110,000)	(308,875)
HD&R	2,902,365	2,425,603	118,211	594,973
HIA	18,910	3,138	-	15,772
HOPE	212,638	2,189,754	1,500,000	(477,116)
Levy	12,091,176	-	(8,318,160)	3,773,016
Tax Increment	2,487,995	5,173,129	(448,000)	(3,133,134)
Common Bond	21,947,145	22,573,424	5,763,000	5,136,721
Housing Assistance - Other	383,400	433,702	52,490	2,188
Nicols Pointe	170,893	179,735	48,292	39,450
Workforce Housing LLC	6,618,365	7,623,491	1,214,167	209,041
Workforce Housing II LLC	1,562,576	1,375,949	-	186,627
Section 18 LLC	1,299,767	1,240,387	-	59,380
Youth Housing	383,554	402,105	-	(18,551)
Real Estate Operations	8,839,515	4,066,868	-	4,772,647
Office Building	342,080	483,862	180,000	38,218
Technology	678,867	720,763	-	(41,896)
Non-Public Housing/Hsg Voucher	59,939,246	48,891,910	110,000	11,157,336
Total FYE 2026 operating budget	\$ 96,581,651	\$ 85,733,190	\$ -	\$ 10,848,461

RECOMMENDATION

Staff recommends approval of the operating budget (excluding the Public Housing and Housing Voucher operating budgets) for the fiscal year ending June 30, 2026.

EXPLANATION OF FISCAL/FTE IMPACTS

The operating budget (excluding the Public Housing and Housing Voucher operating budgets) for the fiscal year ending June 30, 2026 projects revenue of \$59,939,246, expense of \$48,891,910 and net transfers in of \$110,000 for an increase in reserves and budgetary fund balances of \$11,157,336.

☐ None ☐ Current budget ☐ Amendment Requested ☒ Other

RESOLUTION

WHEREAS, the Dakota County Community Development Agency (CDA) has completed the operating budget process for the fiscal year ending June 30, 2026, and

WHEREAS, the CDA Board of Commissioners has reviewed the proposed operating budget for the fiscal year ending June 30, 2026, and

WHEREAS, the CDA Board of Commissioners has approved the operating budget for the Public Housing and Housing Voucher programs for the fiscal year ending June 30, 2026, in a separate board resolution, and

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the operating budget (excluding the Public Housing and Housing Voucher programs) for the fiscal year ending June 30, 2026, is hereby approved as follows:

BE IT FURTHER RESOLVED, that the Executive Director is authorized to implement and carry out this budget program.

PREVIOUS BOARD ACTION

N/A

ATTACHMENTS

Attachment A: Budget and Plan for the Fiscal Year Ending June 30, 2026

CONTACT

Department Head: Ken Bauer, Finance Director

Author: Chris Meyer, Assistant Director of Finance

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

BUDGET AND PLAN FOR THE FISCAL YEAR ENDING JUNE 30, 2026

**Dakota County CDA
1228 Town Centre Drive
Eagan, MN 55123
Telephone (651) 675-4400**

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May 20, 2025

Chair Atkins and Dakota County Community Development Agency (CDA) Commissioners:

I am pleased to submit for your consideration the annual operating budget for the fiscal year ending June 30, 2026 (FYE26). This budget request will allow the agency to continue to address the affordable housing and community development needs in Dakota County communities, while at the same time, maintain a high degree of financial stability for the CDA. This budget is the product of the input received from the Board during the March Budget Workshop and several months of work by the Executive Director, Finance Department, Department Directors, and their staff. This budget was prepared to address the following goals:

- **New Housing Development:** This budget reflects the continued pursuit of new CDA owned/managed affordable housing developments.
 - **Common Bond:** The CDA expects to be starting construction on a new Common Bond funded senior housing development (Hillcrest phase II) in this fiscal year dependent on City Council approvals. Currently staff are working with our architect for plans to be submitted to the City of Inver Grove Heights for that development.
 - **Family Workforce Housing:** We will continue to work on identifying parcels for potential future tax credit (9%) developments. We will complete construction and initial lease-up on Denmark Trail Townhomes in Farmington late this summer. The outstanding debt obligations to Minnesota Housing and Family Housing Fund on our workforce townhome portfolio continue to mature. The budget anticipates our continued satisfaction with those debt obligations.
 - **Development Plan:** Build 1,000 more units of affordable housing in the next 10 years. Later this summer, we will discuss a formal development and financing plan to continue to develop affordable rental housing. We have several sites in the pipeline and continue to work with cities to identify development opportunities.
- **Support Private and Non-Profit New Affordable Housing Development:** This budget reflects and anticipates continued interest in CDA's Tax Exempt Bond and Tax Credit (9%) allocations. These resources typically produce or preserve about 200 units of affordable housing per year.
- **Financial Sustainability & Staffing:** This budget continues the consideration of the long-term view of our revenues and costs and reflects an overall staffing capacity of

110.52 FTEs (a decrease from our current budget's 113.36 FTEs). The decrease is due to not including internships that we have had in the past, a voluntary reduction in hours for one position in Community & Economic Development, and reduction in budgeted hours for an IT position in Administration that is budgeted for succession planning.

- **Special Benefit Tax Levy Support:** The budget includes the 2025 levy level of 0.0156 percent of the estimated market value which is less than the maximum available levy allowable to the CDA (0.0185). This ongoing tax authority provides debt service payments required by the Common Bond Fund, funding for the HOPE Program to provide gap financing for affordable housing and homebuyer/homeowner initiatives.
- **Economic Development:** Funding for economic development activities reflects the discussion from the Economic Development Workshop held in February 2025. These items include: Open to Business, CEO Next, continued investment in GREATER MSP and an increase in marketing or “telling our story” of economic development successes in Dakota County. We will continue assisting cities with redevelopment needs through the Redevelopment Incentive Grant program.
- **Redevelopment:** This budget includes resources to continue to reposition the Delta site in Eagan. This is a big project, and we will continue to have holding costs for the site until we’re able to demolish the building. Then we will need to investigate any environmental cleanup needs. We will return to the Board with a budget amendment once we have demolition and environmental mitigation bids.
- **Addressing Hard to House Population Needs:** We continue to collaborate with Dakota County Community Services to address local needs. This includes 22 family vouchers for households transitioning out of Dakota Woodlands, five CDA levy funded vouchers for Lincoln Place, and 40 Project Based Vouchers at Cahill Place in Inver Grove Heights. This budget does not currently reflect any of the Bring It Home vouchers. We have applied for those vouchers but will not know the award until after the FYE26 fiscal year starts. We will bring back budget amendments to incorporate this into our budget.
- **Public Housing/Section 18 LLC:** We have 203 units remaining in our public housing portfolio and staff will continue to reposition the balance of our units through the Section 18 process. The goal is to transition all of our units out of public housing to reduce regulatory burden and build new affordable housing using the sale proceeds. We will continue to sell Section 18 single family homes and duplexes as they turnover to reduce our maintenance and management burden on these properties and to provide affordable homeownership opportunities.
- **Maintenance of CDA Properties:** The budget includes \$7.7 million in non-routine capital expenditures for our rental housing developments and our Eagan office. Forecasts projecting our capital needs for the next 20 years are reviewed each budget cycle to ensure that we’re earmarking funds for current and future capital needs. When the County approves the allocation of Local Affordable Housing Aid to the CDA of \$4,500,000 we will spend the dollars according to the plan outlined during our budget workshop.

THE BUDGET IN BRIEF

Consistent with prior years, the accompanying operating budget excludes the Workforce Housing Limited Partnerships. After fifteen years, the Limited Partner exits the partnership and the CDA merges these entities into a blended component unit of the CDA, and they are then included in the CDA's operating budget. The operating budget also excludes capital projects not financed with operating revenues and certain Federal or State grants with grant periods that do not coincide with the CDA's fiscal year or that run across multiple fiscal years. Finally, the budget does not include activities where the CDA acts as an agent for another governmental entity pursuant to a Joint Powers Agreement. Appendix D provides a projection of the revenues and expenses for these excluded activities. This projection was used during the budgeting process to estimate staffing levels and the allocation of administrative costs.

Total revenue excluding one-time property sales for annually budgeted funds is projected to be \$96.5 million versus the \$94.2 million estimated in the current year for an increase of \$2.3 million or 2.4 percent. The largest sources of revenue in dollar terms are intergovernmental (grants) of \$36.7 million; rental revenue of \$28.8 million and taxes/tax increments of \$13.4 million. These three sources account for 81.8% of all budgeted revenue. The HUD-funded Housing Voucher program accounts for 92.5% of all grant revenue in the operating budget.

Total expense for annually budgeted funds is projected to be \$85.7 million versus the \$87.6 million estimated in the current year for a decrease of \$1.9 million. The largest categories of expense in dollar terms are housing assistance payments (haps) of \$31.4 million; administrative expense of \$16.1 million, ordinary maintenance of \$8.2 million, capital/extraordinary maintenance of \$8 million and debt service of \$7.2 million. Budgeted haps are flat from the current year estimate. Administrative and maintenance are increasing, in part, due to higher compensation costs. Capital/extraordinary maintenance is decreasing, largely due to FYE 25 including the Delta site acquisition. Debt service is slightly higher and general expenses, comprised of taxes, insurance and program costs are increasing overall due to higher insurance and programmatic costs in the upcoming budget. Most of these programmatic costs are in the Housing Development & Renewal (HD&R) programs as well as the HOPE program and tax increment districts. Details regarding these expenses are provided in Appendix A on page 29 for the HD&R and HOPE programs and Appendix B on page 30 for the tax increment districts.

The proposed budget anticipates an increase in the budgetary fund balances of \$10.8 million for a total of \$239.2 million. Of this, \$80.4 million is attributable to Real Estate Operations which holds retained earnings and fee income from the senior and workforce housing programs. These funds provide a reserve to meet the capital needs of these buildings as identified in the twenty-year capital projections. The housing assistance and rental properties have another \$105 million in budgetary fund balance and these balances are generally restricted by grantors or debt covenants. The HD&R, Levy and HOPE programs have \$42.9 million in budgetary fund balance and the tax increment districts have another \$10.6 million. The remaining fund balance is attributable to the HIA, office and technology funds.

In summary, the agency continues to be in sound financial condition because of its diversified funding streams. While we are certainly not immune to the ups and downs of Federal and State budget processes, we are much less impacted than most of our peers. This achievement is in no small part due to the support provided by the CDA and County Commissioners.

Respectfully submitted,



Tony Schertler
Executive Director

BUDGET PROCESS

BUDGET ADOPTION

The management of the Dakota County Community Development Agency submits a proposed operating budget to the Board of Commissioners no later than the third Tuesday each May. All operating funds are subject to the annual budget process with the exception of certain grant awards, which are subject to the grant contract limitations, and trust and agency funds. The fiscal year of the agency begins on July 1 and ends on June 30.

BUDGET CALENDAR

Important dates in the development of the budget are given below:

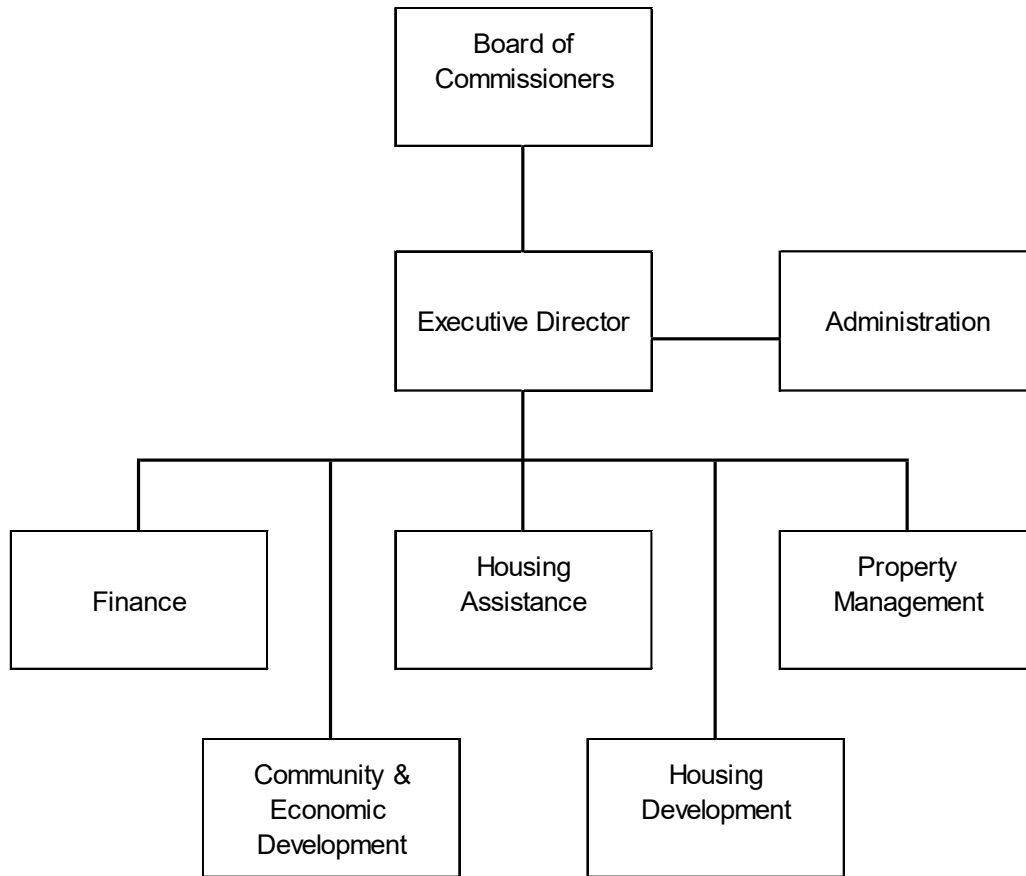
February 1 - 28	Budget estimate forms and instructions are distributed to each Department Head.
March 1 - 31	Departments prepare estimates of revenues and expenses for the next budget period. Completed budget estimates are submitted to the Finance Director.
April 1 - 30	The Executive Director and Finance Director meet with the departments to make a final determination on the amounts to be recommended to the Board of Commissioners. The proposed budget and the Executive Director's budget message are prepared.
May board meeting	The Executive Director and Department Heads present the recommended budget to the Board of Commissioners for their consideration and review. The budget is formally adopted by board resolution at either the May board meeting or the June board meeting.
June 30	The adopted budget is recorded in the accounting records.
July 1	The budget goes into effect.

OPERATING BUDGET POLICIES AND PROCEDURES

The development of the Dakota County Community Development Agency's budget is based on the following guidelines and policies:

- The primary budgetary objective is to provide the highest possible level of service without impairing the Agency's sound financial condition. Continual efforts will be made to improve productivity, lower costs, and enhance service.
- The budget should be balanced for each fund; total available resources should equal or exceed total anticipated expenses.
- The agency will avoid budgetary procedures that balance the current budget at the expense of meeting future years' obligations.
- The agency will maintain a budgetary control system to ensure adherence to the budget and will prepare regular reports comparing actual revenues & expenses to budgeted amounts.

ORGANIZATIONAL CHART

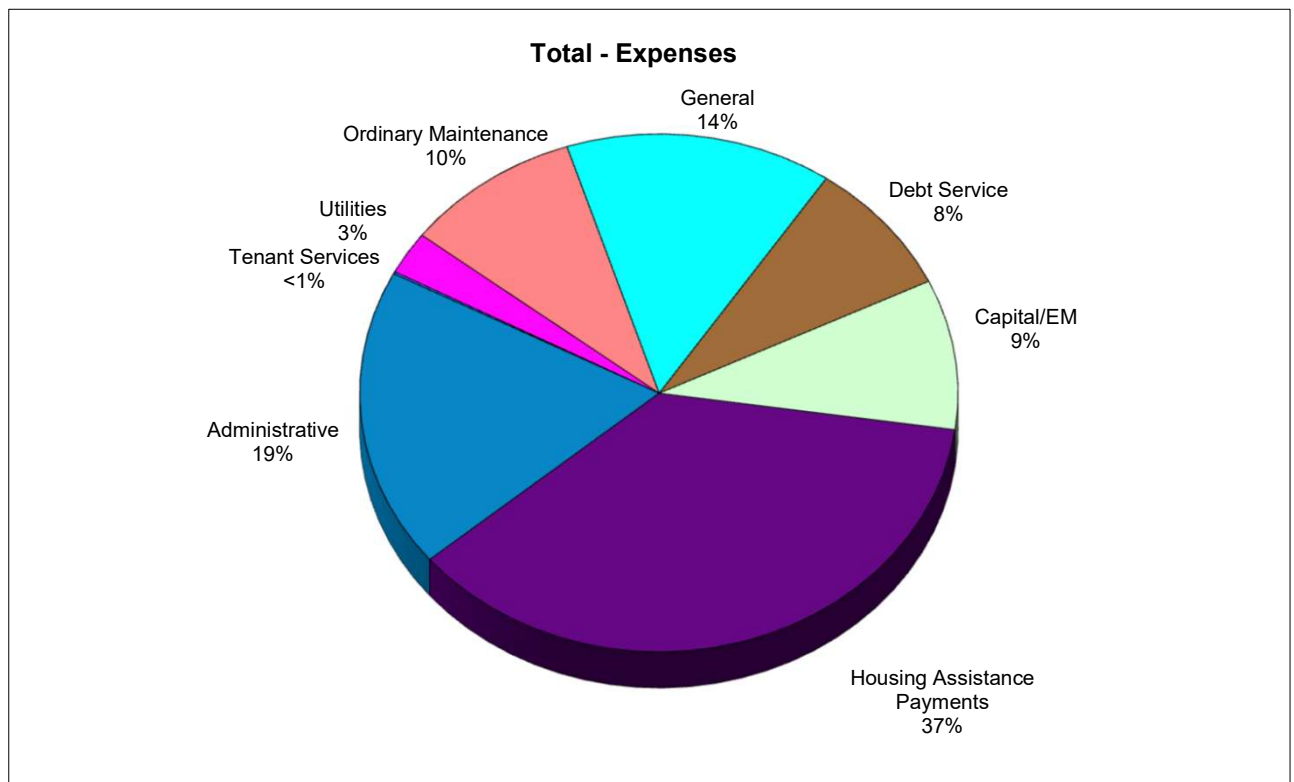
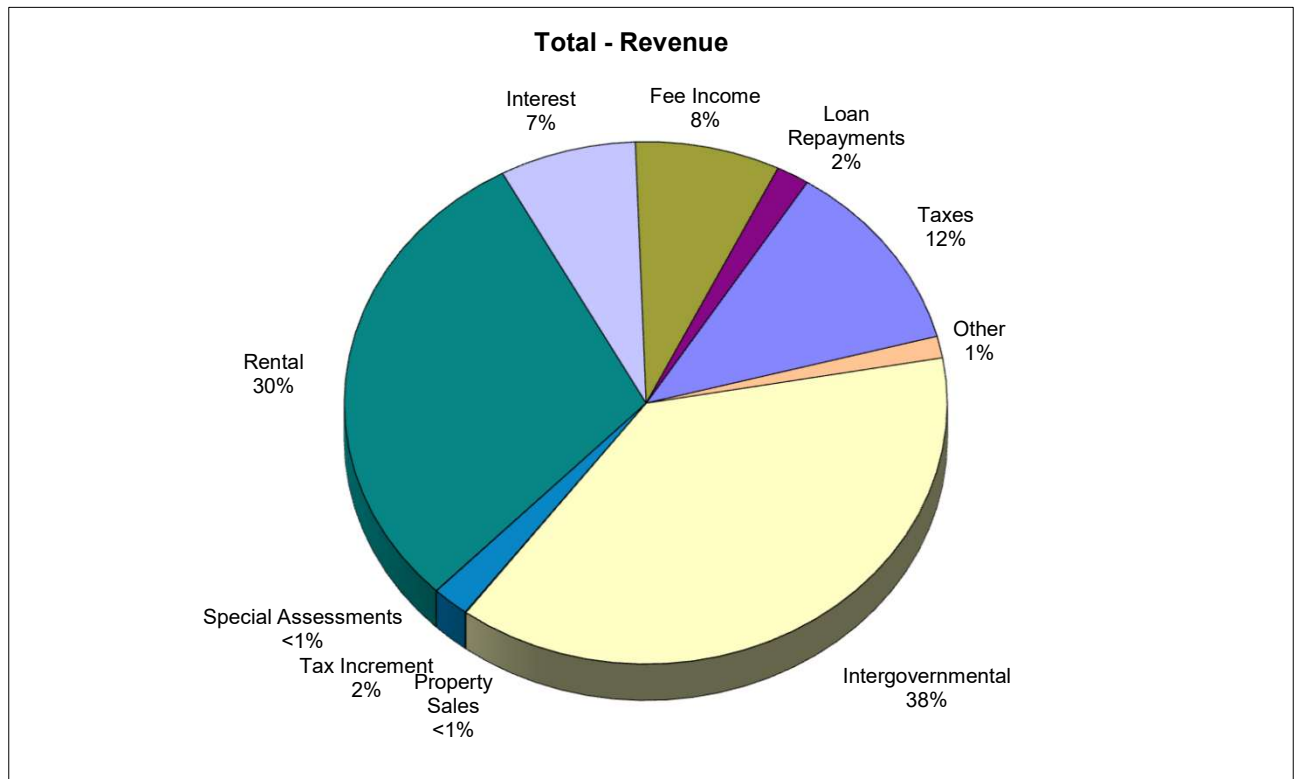


BUDGET SUMMARY

The fiscal year ending June 30, 2026, budget anticipates total revenues of \$96,581,651 and total expenses of \$85,733,190 for a net increase in budget balance of \$10,848,461.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Intergovernmental	\$ 32,596,848	\$ 37,615,094	\$ 35,302,863	\$ 36,662,664
Taxes	9,252,584	9,236,710	10,763,794	11,483,710
Tax increment	1,835,069	1,875,186	1,971,291	1,926,710
Special assessments	37,339	33,865	19,523	18,910
Rental	25,677,178	27,338,172	27,941,764	28,837,293
Interest	4,787,932	9,352,019	8,265,356	7,081,514
Fee income	5,630,415	6,428,698	6,582,261	7,524,067
Loan repayments	1,432,414	2,496,203	2,178,477	1,713,488
Property sales	3,562,820	496,058	4,652,545	40,000
Other	1,836,915	1,771,644	1,154,614	1,293,295
	<u>86,649,514</u>	<u>96,643,649</u>	<u>98,832,488</u>	<u>96,581,651</u>
EXPENSE				
Administrative	11,662,770	12,378,665	14,489,183	16,063,406
Tenant services	165,269	114,151	117,013	117,357
Utilities	2,413,656	2,080,358	2,192,246	2,286,493
Ordinary maintenance	6,992,422	7,172,578	7,860,269	8,217,164
General	5,702,375	7,563,773	6,796,064	12,377,199
Housing assistance payments	28,392,366	28,020,293	31,369,666	31,408,349
Debt service	7,936,349	7,133,607	6,482,686	7,240,622
Capital/extraordinary maintenance	5,807,525	5,756,386	18,340,056	8,022,600
	<u>69,072,732</u>	<u>70,219,811</u>	<u>87,647,183</u>	<u>85,733,190</u>
Increase (decrease) in budget balance before transfers	17,576,782	26,423,838	11,185,305	10,848,461
TRANSFERS IN (OUT)	-	-	-	-
Increase (decrease) in budget balance	17,576,782	26,423,838	11,185,305	10,848,461
BEGINNING BUDGET BALANCE	171,957,044	189,872,096	217,150,406	228,335,711
LLC merger adjustment	338,270	854,472	-	-
ENDING BUDGET BALANCE	<u>\$ 189,872,096</u>	<u>\$ 217,150,406</u>	<u>\$ 228,335,711</u>	<u>\$ 239,184,172</u>

BUDGET SUMMARY - GRAPH



AUTHORIZED FULL-TIME POSITIONS

	Actual FYE 2024	Budget FYE 2025	Budget FYE 2026
ADMINISTRATION			
Executive Director	1.00	1.00	1.00
Director of Administration & Communications	1.00	1.00	1.00
Assistant Director of Administration	1.00	1.00	1.00
Human Resources Administrator	1.00	1.00	1.00
Network Administrator	1.00	1.00	1.00
Software/Network Manager	-	1.00	0.27
Administrative Coordinator	1.00	1.00	1.00
	6.00	7.00	6.27
COMMUNITY & ECONOMIC DEVELOPMENT			
Director of Community & Econ Dev	1.00	1.00	1.00
Assistant Director of Community & Econ Dev	1.00	1.00	1.00
Program Manager	1.00	1.00	1.00
Housing Finance Manager	1.00	1.00	1.00
CD Coordinator	1.00	1.00	1.00
Housing Rehab Coordinator	1.00	1.00	1.00
Housing Rehab Specialist	1.00	2.00	2.00
Weatherization Coordinator	1.00	1.00	1.00
Weatherization Specialist	1.83	2.00	2.00
Homeownership Specialist	2.00	2.00	1.60
Program Support Assistant	1.85	2.00	2.00
Summer Intern	0.06	0.10	-
	13.74	15.10	14.60
FINANCE			
Director of Finance	1.00	1.00	1.00
Assistant Director of Finance	1.00	1.00	1.00
Financial Analyst	-	1.00	1.00
Senior Accountant	3.00	3.00	3.00
Accountant	3.00	3.00	3.00
Accounting Specialist	2.00	2.00	2.00
	10.00	11.00	11.00
HOUSING DEVELOPMENT			
Deputy Executive Director	1.00	1.00	1.00
Capital Projects Manager	4.00	4.00	4.00
Real Estate Manager	1.00	1.00	1.00
Housing Finance Manager	-	0.75	1.00
	6.00	6.75	7.00

AUTHORIZED FULL-TIME POSITIONS – cont'd

	Actual FYE 2024	Budget FYE 2025	Budget FYE 2026
HOUSING ASSISTANCE			
Director of Housing Assistance	1.00	1.00	1.00
Assistant Director of Housing Assistance	1.00	1.00	1.00
Program Coordinator	1.80	1.80	1.80
Compliance and Landlord Relations Manager	1.00	1.00	1.00
Housing Specialist	8.28	9.75	9.75
Housing Stability Specialist	1.00	1.00	1.00
Housing Associate	1.60	2.00	2.00
HQS Inspector	0.25	0.25	0.25
Program Support Assistant	-	1.00	1.00
Office Support Assistant	1.00	0.50	1.00
Limited Term Summer Intern	0.23	0.13	-
	17.16	19.43	19.80
PROPERTY MANAGEMENT			
Director of Property Management	1.00	1.00	1.00
Assistant Director of Property Management	1.00	1.00	1.00
Program Manager	1.00	1.00	1.00
Property Manager	9.00	9.00	9.00
Assistant Property Manager	6.00	5.70	5.00
Program Support Assistant	2.75	2.00	3.00
Office Support Assistant	0.70	2.00	1.00
Limited Term Summer Intern	0.78	0.96	-
Maintenance Manager	1.00	1.00	1.00
Facilities Contract Mgr/Contract Services Mgr	1.00	1.00	1.00
Maintenance Operations Coordinator	-	0.30	1.00
Maintenance Technician III	1.00	1.00	1.00
Maintenance Technician II	3.00	2.00	4.00
Maintenance Technician I	11.92	13.00	11.00
Preventive Maintenance Tech	1.00	1.00	1.00
Limited Term Summer Maint Intern	0.07	0.22	0.20
Site Attendant/Caretaker	7.76	8.16	6.81
Relief Caretaker/Site Attendant	3.30	3.74	3.84
	52.28	54.08	51.85
TOTAL POSITIONS	105.18	113.36	110.52

HOUSING DEVELOPMENT & RENEWAL

Housing Development & Renewal (HD&R) is used to account for resources that are not legally obligated, or by sound financial management, required to be accounted for in another program. Some of the programs in HD&R include the first-time homebuyer program, conduit debt financing, low-income housing tax credit sub allocator, land acquisition, limited partner financing, economic development, and redevelopment incentive grants.

Revenues consist primarily of loan repayments and property sales. Expenses relate to HD&R activities, first-time homebuyer program, economic development, redevelopment incentive grant and land banking. Transfers in of \$1,117,378 are from Levy to fund the general expenses of economic development and redevelopment incentive grant. Transfers out are \$999,167 for Workforce Housing LLC debt service payments.

The projected budget balance of \$19,804,848 is designated for future housing, development & renewal activities. A further breakdown of locally funded housing and community development programs is provided in Appendix A.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Intergovernmental	\$ 500,000	\$ 156,941	\$ 206,000	\$ 215,714
Interest	104,372	152,972	130,000	100,000
Fee Income	582,510	1,237,994	765,920	833,163
Loan repayments	1,369,395	1,356,209	1,379,832	1,713,488
Property sales	-	217,708	1,258,420	40,000
Other	147,254	3,176	4,400	-
	<u>2,703,531</u>	<u>3,125,000</u>	<u>3,744,572</u>	<u>2,902,365</u>
EXPENSE				
Administrative	704,091	784,060	1,002,828	1,279,138
Utilities	892	1,363	350	1,500
Ordinary maintenance	12,250	23,015	27,385	27,465
General	1,445,265	578,484	1,049,037	1,117,500
Capital expenditures	1,061,845	814,080	2,553	-
	<u>3,224,343</u>	<u>2,201,002</u>	<u>2,082,153</u>	<u>2,425,603</u>
Increase (decrease) in budget balance before transfers	(520,812)	923,998	1,662,419	476,762
TRANSFERS IN (OUT)	<u>8,848</u>	<u>(36,496)</u>	<u>(172,809)</u>	<u>118,211</u>
Increase (decrease) in budget balance	(511,964)	887,502	1,489,610	594,973
BEGINNING BUDGET BALANCE	17,344,727	16,832,763	17,720,265	19,209,875
ENDING BUDGET BALANCE	<u>\$ 16,832,763</u>	<u>\$ 17,720,265</u>	<u>\$ 19,209,875</u>	<u>\$ 19,804,848</u>

HOUSING DEVELOPMENT & RENEWAL - EXPENSES

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
ADMINISTRATION				
Administrative				
Administrative	\$ 151,413	\$ 140,623	\$ 181,119	\$ 214,920
COMMUNITY & ECONOMIC DEV				
Administrative				
Administrative	356,466	408,442	510,391	468,621
General	500,000	-	1,750	-
	856,466	408,442	512,141	468,621
First-time homebuyer program				
Administrative	9,335	659	-	-
General	2,882	2,310	-	-
	12,217	2,969	-	-
Economic development				
Administrative	47,182	57,308	79,015	159,490
General	264,309	229,970	247,500	412,500
	311,491	287,278	326,515	571,990
Redevelopment incentive grant				
Administrative	6,652	12,226	40,289	45,388
General	-	200,000	525,000	500,000
	6,652	212,226	565,289	545,388
Local weatherization				
Administrative	737	12,165	31,502	15,714
General	129,561	146,172	270,000	200,000
	130,298	158,337	301,502	215,714
LAHA cities				
Administrative	-	-	-	166,201
	1,317,124	1,069,252	1,705,447	1,967,914
HOUSING DEVELOPMENT				
Administrative				
Administrative	43,872	56,092	71,683	80,902
Land banking				
Administrative	88,088	96,250	87,808	126,963
General	547,904	-	-	-
Capital expenditures	1,061,845	814,080	2,553	-
	1,697,837	910,330	90,361	126,963
	1,741,709	966,422	162,044	207,865
PROPERTY MANAGEMENT				
Land holding costs				
Administrative	346	295	1,021	939
Utilities	892	1,363	350	1,500
Ordinary maintenance	12,250	23,015	27,385	27,465
General	609	32	4,787	5,000
	14,097	24,705	33,543	34,904
	\$ 3,224,343	\$ 2,201,002	\$ 2,082,153	\$ 2,425,603

REAL ESTATE OPERATIONS

Real Estate Operations (REO) is used to account for resources that are not legally obligated, or by sound financial management, required to be accounted for in another fund. Some of the programs in REO include construction management, property management, capital/extraordinary maintenance management, asset management, partnership management and to hold funds released from rental financing structures.

Revenues consist primarily of management fees generated from the rental properties. Expenses are for the development and management of these rental properties.

The projected budget balance of \$80,389,209 is designated for future real estate operations activities.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Fee Income	\$ 4,516,803	\$ 4,550,673	\$ 4,948,639	\$ 5,788,269
Interest	1,713,664	4,562,101	3,800,000	3,000,000
Other	237,869	61,719	47,327	51,246
	<u>6,468,336</u>	<u>9,174,493</u>	<u>8,795,966</u>	<u>8,839,515</u>
EXPENSE				
Administrative	2,492,582	2,558,556	3,517,271	3,990,868
Ordinary maintenance	29,814	-	-	-
General	13,211	15,443	18,000	18,000
Capital/extraordinary maintenance	-	113,517	7,746,000	58,000
	<u>2,535,607</u>	<u>2,687,516</u>	<u>11,281,271</u>	<u>4,066,868</u>
Increase (decrease) in budget balance before transfers	3,932,729	6,486,977	(2,485,305)	4,772,647
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	3,932,729	6,486,977	(2,485,305)	4,772,647
BEGINNING BUDGET BALANCE	<u>67,682,161</u>	<u>71,614,890</u>	<u>78,101,867</u>	<u>75,616,562</u>
ENDING BUDGET BALANCE	<u>\$ 71,614,890</u>	<u>\$ 78,101,867</u>	<u>\$ 75,616,562</u>	<u>\$ 80,389,209</u>

REAL ESTATE OPERATIONS – EXPENSES

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
ADMINISTRATION				
Administrative				
Administrative	\$ 926,162	\$ 1,053,073	\$ 1,065,640	\$ 1,157,388
Indirect cost allocation	(926,162)	(1,053,073)	(1,065,640)	(1,157,388)
	-	-	-	-
Property management				
Administrative	97,490	62,350	168,685	158,789
General	-	627	3,000	2,000
	97,490	62,977	171,685	160,789
	97,490	62,977	171,685	160,789
FINANCE				
Administrative				
Administrative	1,188,584	1,259,269	1,372,845	1,455,512
Indirect cost allocation	(1,188,584)	(1,259,269)	(1,372,845)	(1,455,512)
	-	-	-	-
Property management				
Administrative	3,296	526	23,890	146,217
	3,296	526	23,890	146,217
NONDEPARTMENTAL				
Administrative	34,652	35,376	35,615	38,000
General	22,974	21,922	25,000	32,000
Capital/extraordinary maint.	-	113,517	16,000	58,000
	57,626	170,815	76,615	128,000
Indirect cost allocation	(57,626)	(57,298)	(60,615)	(70,000)
	-	113,517	16,000	58,000
HOUSING DEVELOPMENT				
Administrative				
Administrative	169,693	158,953	236,579	443,078
General	13,211	14,816	15,000	16,000
Capital/extraordinary maint.	-	-	7,730,000	-
	182,904	173,769	7,981,579	459,078
Common Bond development				
Administrative	2,305	39,587	56,993	43,155
Workforce development				
Administrative	-	1,376	69,867	31,532
EM management				
Administrative	592,447	617,146	665,562	711,805
	777,656	831,878	8,774,001	1,245,570

REAL ESTATE OPERATIONS – EXPENSES – cont'd

	Actual FYE 2023	Actual FYE 2024	Budget FYE 2025	Budget FYE 2026
PROPERTY MANAGEMENT				
Common Bond pre-leasing				
Administrative	-	836	28,946	19,682
Workforce pre-leasing				
Administrative	-	-	10,066	6,561
Property management				
Administrative	1,627,351	1,677,782	2,256,683	2,430,049
Ordinary maintenance	29,814	-	-	-
	<u>1,657,165</u>	<u>1,677,782</u>	<u>2,256,683</u>	<u>2,430,049</u>
	1,657,165	1,678,618	2,295,695	2,456,292
	<u>\$ 2,535,607</u>	<u>\$ 2,687,516</u>	<u>\$ 11,281,271</u>	<u>\$ 4,066,868</u>

HIA LOANS

HIA Loans accounts for the receipt and expenditure of resources established by two Housing Improvement Areas (HIA). The first was the Niakwa Village Second Addition HIA in May 2014 and the second was the Town Homes at Wildwood Pond HIA in June 2014. For each HIA, the CDA entered into a development fee with the respective homeowner association to fund housing improvements using Housing Development & Renewal Fund and HOPE Fund resources which will be repaid through the imposition of Housing Improvement Fees (special assessments) against the homeowners.

Budgeted revenues consist exclusively of special assessments. Budgeted expenses are comprised of administrative and interest costs that are associated with the Housing Improvement Areas.

The projected budget balance of (\$3,720) represents expenses that will be repaid through the imposition of special assessments.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Special Assessments	\$ 37,339	\$ 33,865	\$ 19,523	\$ 18,910
EXPENSE				
Administrative	845	953	1,164	203
General	5,588	4,281	3,538	2,935
	<u>6,433</u>	<u>5,234</u>	<u>4,702</u>	<u>3,138</u>
Increase (decrease) in budget balance before transfers	30,906	28,631	14,821	15,772
TRANSFERS IN (OUT)	-	-	-	-
Increase (decrease) in budget balance	30,906	28,631	14,821	15,772
BEGINNING BUDGET BALANCE	(93,850)	(62,944)	(34,313)	(19,492)
ENDING BUDGET BALANCE	<u>\$ (62,944)</u>	<u>\$ (34,313)</u>	<u>\$ (19,492)</u>	<u>\$ (3,720)</u>

HOPE

HOPE accounts for the receipt and expenditure of resources dedicated towards the Housing Opportunities Enhancement Fund. Revenues consist of loan repayments and interest revenue. Expenses are for the development, acquisition and rehabilitation, and acquisition and preservation of multifamily rental and single-family homeownership housing within Dakota County. Transfers in consist of the tax revenues collected in Levy.

The projected budget balance of \$5,163,524 is restricted for future HOPE-related expenses. A further breakdown of locally funded housing and community development programs is provided in Appendix A.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Interest	\$ 181,966	\$ 262,518	\$ 210,575	\$ 202,638
Loan repayments	63,019	214,994	510,000	-
Other	16,500	53,029	10,000	10,000
	<u>261,485</u>	<u>530,541</u>	<u>730,575</u>	<u>212,638</u>
EXPENSE				
Administrative	26,676	58,750	121,411	106,534
General	1,090,020	2,527,019	1,888,060	2,083,220
	<u>1,116,696</u>	<u>2,585,769</u>	<u>2,009,471</u>	<u>2,189,754</u>
Increase (decrease) in budget balance before transfers	(855,211)	(2,055,228)	(1,278,896)	(1,977,116)
TRANSFERS IN (OUT)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Increase (decrease) in budget balance	644,789	(555,228)	221,104	(477,116)
BEGINNING BUDGET BALANCE	5,329,975	5,974,764	5,419,536	5,640,640
ENDING BUDGET BALANCE	<u>\$ 5,974,764</u>	<u>\$ 5,419,536</u>	<u>\$ 5,640,640</u>	<u>\$ 5,163,524</u>

LEVY

Levy accounts for the receipt and expenditure of the Agency's tax levy. Revenues consist primarily of tax receipts and interest income. Expenses are restricted for senior housing development and rental subsidies. Transfers out consist of debt service payments of \$5,600,000 pledged towards bonds issued to finance the construction of senior housing developments, \$2,617,378 of tax revenue collected for the HOPE Fund & Housing Redevelopment & Renewal, housing assistance of \$52,490 for Lincoln Place, and operating subsidy of \$48,292 for Nicols Pointe.

The projected budget balance of \$17,975,781 is designated for future levy-supported expenses. A further breakdown of locally funded housing and community development programs is provided in Appendix A.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Taxes	\$ 9,252,584	\$ 9,236,710	\$ 10,763,794	\$ 11,483,710
Intergovernmental	13,723	12,368	12,826	11,000
Interest	333,318	537,985	521,014	596,466
	<u>9,599,625</u>	<u>9,787,063</u>	<u>11,297,634</u>	<u>12,091,176</u>
EXPENSE				
Capital outlay	-	-	-	-
Increase (decrease) in budget balance before transfers	9,599,625	9,787,063	11,297,634	12,091,176
TRANSFERS IN (OUT)	<u>(7,469,523)</u>	<u>(7,648,437)</u>	<u>(8,042,461)</u>	<u>(8,318,160)</u>
Increase (decrease) in budget balance	2,130,102	2,138,626	3,255,173	3,773,016
BEGINNING BUDGET BALANCE	<u>6,678,864</u>	<u>8,808,966</u>	<u>10,947,592</u>	<u>14,202,765</u>
ENDING BUDGET BALANCE	<u>\$ 8,808,966</u>	<u>\$ 10,947,592</u>	<u>\$ 14,202,765</u>	<u>\$ 17,975,781</u>

TAX INCREMENT FINANCING

Tax Increment Financing accounts for the receipt and expense of tax increment revenues across 9 tax increment districts. Revenues consist primarily of tax increment receipts, interest income and loan repayments. Expenses are for administration and housing and redevelopment expenses that are consistent with State law. A further breakdown of expenses and transfers by district is provided in Appendix B.

The projected budget balance of \$10,613,531 is restricted by tax increment district for future TIF-related expenses. A breakdown of this budget balance by district is provided in Appendix B.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Tax increment	\$ 1,835,069	\$ 1,875,186	\$ 1,971,291	\$ 1,926,710
Interest	409,134	650,411	599,753	561,285
Loan repayments	-	925,000	288,645	-
	<u>2,244,203</u>	<u>3,450,597</u>	<u>2,859,689</u>	<u>2,487,995</u>
EXPENSE				
Administrative	44,337	47,985	62,532	66,260
General	126,168	1,378,213	190,566	5,106,869
Capital outlay	102,294	67,559	407,149	-
	<u>272,799</u>	<u>1,493,757</u>	<u>660,247</u>	<u>5,173,129</u>
Increase (decrease) in budget balance before transfers	1,971,404	1,956,840	2,199,442	(2,685,134)
TRANSFERS IN (OUT)	<u>(313,519)</u>	<u>(547,219)</u>	<u>(1,903,069)</u>	<u>(448,000)</u>
Increase (decrease) in budget balance	1,657,885	1,409,621	296,373	(3,133,134)
BEGINNING BUDGET BALANCE	10,382,786	12,040,671	13,450,292	13,746,665
ENDING BUDGET BALANCE	<u>\$ 12,040,671</u>	<u>\$ 13,450,292</u>	<u>\$ 13,746,665</u>	<u>\$ 10,613,531</u>

COMMON BOND HOUSING

Common Bond Housing accounts for the operation of the CDA's bond financed developments. Revenues consist primarily of user charges to tenants and interest earned on operating and CDA-held reserve accounts. Expenses are for the administration, operation and financing of these developments. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of debt service payments and capital/extraordinary maintenance expenses from TIF for District 8 & 11.

The projected budget balance of \$55,826,398 includes an operating reserve and a repair and replacement reserve. The entire budget balance is restricted by the bond indenture for program related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 17,440,863	\$ 18,576,238	\$ 18,958,754	\$ 19,549,275
Interest	1,567,689	2,405,007	2,325,000	2,025,000
Fee income	136,225	126,102	344,234	344,234
Other	614,703	753,447	39,873	28,636
	<u>19,759,480</u>	<u>21,860,794</u>	<u>21,667,861</u>	<u>21,947,145</u>
EXPENSE				
Administrative	3,509,263	3,787,851	3,974,141	4,158,750
Tenant services	53,649	-	-	-
Utilities	1,678,348	1,372,322	1,427,215	1,484,303
Ordinary maintenance	4,326,328	4,369,143	4,805,328	5,057,090
General	1,800,267	1,914,828	2,329,976	2,609,640
Debt service (paid to Trust)	6,239,894	6,013,103	5,804,127	5,704,141
Capital/extraordinary maintenance	3,407,734	3,905,133	6,796,311	3,559,500
	<u>21,015,483</u>	<u>21,362,380</u>	<u>25,137,098</u>	<u>22,573,424</u>
Increase (decrease) in budget balance before transfers	(1,256,003)	498,414	(3,469,237)	(626,279)
TRANSFERS IN (OUT)	<u>5,913,519</u>	<u>6,147,219</u>	<u>6,441,525</u>	<u>5,763,000</u>
Increase (decrease) in budget balance	4,657,516	6,645,633	2,972,288	5,136,721
BEGINNING BUDGET BALANCE	<u>36,414,240</u>	<u>41,071,756</u>	<u>47,717,389</u>	<u>50,689,677</u>
ENDING BUDGET BALANCE	<u>\$41,071,756</u>	<u>\$47,717,389</u>	<u>\$50,689,677</u>	<u>\$55,826,398</u>
AVERAGE UNITS PER MONTH	1,785	1,785	1,785	1,785

HOUSING ASSISTANCE

Housing Assistance acts as a roll-up for several grant and levy-funded housing assistance payments funds. HUD-funded grants include the Section 8 Housing Choice Voucher (HCV) fund which also includes the Family Unification Fund (FUP) and Veterans' Affairs Supportive Housing (VASH) as well as the Mainstream Program, and Emergency Housing Vouchers (EHV). Locally funded grants include the Dakota County Voucher Rental Assistance Program (DCVRAP). Levy funds are used to support Lincoln Place and other locally funded initiatives.

Revenues consist primarily of grant reimbursements to the CDA for housing assistance payments made on behalf of qualified fund participants and administrative fees earned or administrative costs reimbursed. Expenses are for housing assistance payments and related fund administrative costs. Transfers in are from Levy are to fund the housing assistance payments and administrative costs for the locally funded initiatives. Transfers out consist of capital/extraordinary maintenance expenses for the CDA Office Building.

The projected budget balance of \$4,689,130 is restricted by HUD.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Intergovernmental	\$ 31,607,799	\$ 31,293,426	\$ 34,765,343	\$ 34,312,256
Interest	151,675	271,013	250,000	172,454
Fee income	156,770	218,172	253,754	279,976
Other	117,762	155,470	170,000	140,000
	<u>32,034,006</u>	<u>31,938,081</u>	<u>35,439,097</u>	<u>34,904,686</u>
EXPENSE				
Administrative	2,899,951	3,009,754	3,400,300	3,817,416
Tenant services	6,622	3,651	93	-
General	-	-	50,000	10,000
Housing assistance payments	28,392,366	28,020,293	31,369,666	31,408,349
	<u>31,298,939</u>	<u>31,033,698</u>	<u>34,820,059</u>	<u>35,235,765</u>
Increase (decrease) in budget balance before transfers	735,067	904,383	619,038	(331,079)
TRANSFERS IN (OUT)	<u>51,380</u>	<u>48,933</u>	<u>(318,785)</u>	<u>(127,510)</u>
Increase (decrease) in budget balance	786,447	953,316	300,253	(458,589)
BEGINNING BUDGET BALANCE	<u>3,107,703</u>	<u>3,894,150</u>	<u>4,847,466</u>	<u>5,147,719</u>
ENDING BUDGET BALANCE	<u>\$ 3,894,150</u>	<u>\$ 4,847,466</u>	<u>\$ 5,147,719</u>	<u>\$ 4,689,130</u>
AVERAGE UNITS PER MONTH	2,922	2,850	2,892	2,901

NICOLS POINTE

Nicols Pointe is used to account for the operation of a 24-unit development in Eagan which includes affordable housing for seniors with a preference for Veterans. The building opened in September 2024.

Revenues consist of rents charged to tenants and interest earned on operating and CDA-held reserve accounts. Expenses are for the administration and operation of this development. Transfers in consist of operating subsidy from Levy.

The projected budget balance of \$5,840,939 is expected to be used for future operating and capital costs for the development.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ -	\$ -	\$ 104,033	\$ 153,308
Intergovernmental	-	5,816,041	-	-
Interest	-	-	-	-
Fee income	-	456	7,935	16,646
Other	-	-	-	939
	-	5,816,497	111,968	170,893
EXPENSE				
Administrative	-	259	36,067	58,336
Utilities	-	-	15,099	23,605
Ordinary maintenance	-	-	57,530	70,965
General	-	-	18,021	26,829
	-	259	126,717	179,735
Increase (decrease) in budget balance before transfers	-	5,816,238	(14,749)	(8,842)
TRANSFERS IN (OUT)	-	-	-	48,292
Increase (decrease) in budget balance	-	5,816,238	(14,749)	39,450
BEGINNING BUDGET BALANCE	-	-	5,816,238	5,801,489
ENDING BUDGET BALANCE	\$ -	\$ 5,816,238	\$ 5,801,489	\$ 5,840,939
AVERAGE UNITS PER MONTH	-	-	24	24

PUBLIC HOUSING

Public Housing Fund is used to account for the operation of the federally funded Public Housing fund. Revenues consist primarily of user charges to tenants and federal subsidy from the U.S. Department of Housing and Urban Development (HUD). Expenses are for the administration of the fund and the operating costs related to the housing projects. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of capital/extraordinary maintenance expenses from TIF for District 11.

The projected budget balance of \$7,982,482 is restricted by HUD to be used for Public Housing related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 1,340,486	\$ 1,476,715	\$ 1,521,292	\$ 1,567,206
Intergovernmental	325,326	186,318	168,694	168,694
Interest	243,719	390,810	327,605	327,605
Fee income	50,981	63,161	47,112	47,112
Other	13,307	10,502	10,502	10,502
	<u>1,973,819</u>	<u>2,127,506</u>	<u>2,075,205</u>	<u>2,121,119</u>
EXPENSE				
Administrative	321,386	332,520	354,011	379,899
Tenant services	4,998	10,500	10,920	11,357
Utilities	179,243	167,662	186,153	195,460
Ordinary maintenance	790,337	750,389	783,970	824,362
General	283,297	262,461	278,546	310,139
Capital/extraordinary maintenance	(3,562)	25,239	-	318,000
	<u>1,575,699</u>	<u>1,548,771</u>	<u>1,613,600</u>	<u>2,039,217</u>
Increase (decrease) in budget balance before transfers	398,120	578,735	461,605	81,902
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Increase (decrease) in budget balance	398,120	578,735	461,605	151,902
BEGINNING BUDGET BALANCE	<u>6,392,120</u>	<u>6,790,240</u>	<u>7,368,975</u>	<u>7,830,580</u>
ENDING BUDGET BALANCE	<u>\$ 6,790,240</u>	<u>\$ 7,368,975</u>	<u>\$ 7,830,580</u>	<u>\$ 7,982,482</u>
AVERAGE UNITS PER MONTH	203	203	203	203

SECTION 18 LLC

Section 18 LLC is used to account for the operation of housing units that were released from the Public Housing program through a Section 18 disposition. These units no longer receive any Public Housing operating subsidy or capital funding. Revenues consist primarily of user charges to tenants and housing assistance payments from the U.S. Department of Housing and Urban Development (HUD). Expenses are for the operating and capital costs related to the housing units. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C.

The projected budget balance of \$16,024,236 is restricted for future operating and capital costs associated with these former Public Housing units.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 1,644,121	\$ 1,457,537	\$ 1,288,685	\$ 1,255,330
Fee income	47,169	58,660	41,312	41,312
Property sales	3,562,820	278,350	3,394,125	-
Other	953	8,495	3,125	3,125
	<u>5,255,063</u>	<u>1,803,042</u>	<u>4,727,247</u>	<u>1,299,767</u>
EXPENSE				
Administrative	198,732	196,010	212,274	186,040
Utilities	75,844	65,862	68,692	69,592
Ordinary maintenance	303,247	323,654	404,987	361,337
General	172,073	172,170	179,145	193,418
Capital/extraordinary maintenance	-	67,869	518,000	430,000
	<u>749,896</u>	<u>825,565</u>	<u>1,383,098</u>	<u>1,240,387</u>
Increase (decrease) in budget balance before transfers	4,505,167	977,477	3,344,149	59,380
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	4,505,167	977,477	3,344,149	59,380
BEGINNING BUDGET BALANCE	<u>7,138,063</u>	<u>11,643,230</u>	<u>12,620,707</u>	<u>15,964,856</u>
ENDING BUDGET BALANCE	<u>\$ 11,643,230</u>	<u>\$ 12,620,707</u>	<u>\$ 15,964,856</u>	<u>\$ 16,024,236</u>
AVERAGE UNITS PER MONTH	86	85	72	70

WORKFORCE HOUSING LLC

Workforce Housing LLC is used to account for the operation of townhome developments which were previously operated as separate entities owned by limited partnerships in which the CDA was the general partner.

This fund includes 12 townhome developments wholly owned by the CDA in the FYE 2026 budget. Revenues consist of rents charged to tenants. Expenses are the operating, capital and debt service costs related to the housing projects. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of Oak Ridge debt service payments from Housing Development & Renewal and capital/extraordinary maintenance expenses from TIF for District 11.

The projected budget balance of \$9,539,375 includes the development's operating and repair and replacement reserves. The entire budget balance is expected to be used for townhome related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 4,101,074	\$ 4,257,894	\$ 4,428,210	\$ 4,605,338
Intergovernmental	-	-	-	1,805,000
Interest	59,070	81,673	68,296	62,273
Fee income	92,460	125,190	125,190	125,190
Other	12,643	20,564	20,564	20,564
	<u>4,265,247</u>	<u>4,485,321</u>	<u>4,642,260</u>	<u>6,618,365</u>
EXPENSE				
Administrative	812,137	854,955	914,964	952,391
Utilities	299,640	282,642	293,948	305,706
Ordinary maintenance	1,080,850	1,124,672	1,165,640	1,237,392
General	600,900	526,650	576,379	647,507
Debt service	1,309,837	834,018	568,074	1,425,995
Capital/extraordinary maintenance	614,790	448,364	2,250,048	3,054,500
	<u>4,718,154</u>	<u>4,071,301</u>	<u>5,769,053</u>	<u>7,623,491</u>
Increase (decrease) in budget balance before transfers	(452,907)	414,020	(1,126,793)	(1,005,126)
TRANSFERS IN (OUT)	<u>9,045</u>	<u>360,000</u>	<u>1,224,044</u>	<u>1,214,167</u>
Increase (decrease) in budget balance	(443,862)	774,020	97,251	209,041
BEGINNING BUDGET BALANCE	<u>8,902,925</u>	<u>8,459,063</u>	<u>9,233,083</u>	<u>9,330,334</u>
ENDING BUDGET BALANCE	<u>\$ 8,459,063</u>	<u>\$ 9,233,083</u>	<u>\$ 9,330,334</u>	<u>\$ 9,539,375</u>
AVERAGE UNITS PER MONTH	364	364	364	364

WORKFORCE HOUSING II LLC

Workforce Housing II LLC is used to account for the operation of townhome developments which were previously operated as separate entities owned by limited partnerships in which the CDA was the general partner.

This fund includes 4 townhome developments wholly owned by the CDA in the FYE 2026 budget. Revenues consist of rents charged to tenants. Expenses are the operating, capital and debt service costs related to the housing projects. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C.

The projected budget balance of \$4,481,111 includes the development's operating and repair and replacement reserves. The entire budget balance is expected to be used for townhome related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 1,013,524	\$ 1,402,487	\$ 1,458,587	\$ 1,516,930
Interest	1,338	2,712	2,101	1,780
Fee income	38,657	39,841	39,841	39,841
Other	1,014	4,025	4,025	4,025
	<u>1,054,533</u>	<u>1,449,065</u>	<u>1,504,554</u>	<u>1,562,576</u>
EXPENSE				
Administrative	216,283	294,326	315,638	328,871
Utilities	84,906	106,196	110,444	114,862
Ordinary maintenance	253,449	384,781	399,286	421,847
General	118,889	141,825	152,469	172,283
Debt service	386,618	286,486	110,485	110,486
Capital/extraordinary maintenance	407,108	140,791	230,553	227,600
	<u>1,467,253</u>	<u>1,354,405</u>	<u>1,318,875</u>	<u>1,375,949</u>
Increase (decrease) in budget balance before transfers	(412,720)	94,660	185,679	186,627
TRANSFERS IN (OUT)	<u>300,250</u>	<u>176,000</u>	<u>902,113</u>	<u>-</u>
Increase (decrease) in budget balance	(112,470)	270,660	1,087,792	186,627
BEGINNING BUDGET BALANCE	1,855,760	2,081,560	3,206,692	4,294,484
Merger adjustment	338,270	854,472	-	-
ENDING BUDGET BALANCE	<u>\$ 2,081,560</u>	<u>\$ 3,206,692</u>	<u>\$ 4,294,484</u>	<u>\$ 4,481,111</u>
AVERAGE UNITS PER MONTH	91	123	123	123

YOUTH HOUSING

Youth Housing is used to account for the operation of Lincoln Place, a 25-unit development in Eagan which includes 24 units of supportive housing for young adults.

Revenues consist of rents charged to tenants and grants from Minnesota Housing to support the front desk operation and subsidize the rents of qualified tenants. Expenses are for the administration of the fund and the operating costs related to the development.

The projected budget balance of \$694,787 includes the development's operating and repair and replacement reserves. The entire budget balance is restricted for Youth Housing related expenses.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Rental	\$ 137,110	\$ 167,301	\$ 182,203	\$ 189,906
Intergovernmental	150,000	150,000	150,000	150,000
Interest	21,987	34,817	31,012	32,013
Fee income	8,840	8,449	8,324	8,324
Other	810	9,520	3,311	3,311
	<u>318,747</u>	<u>370,087</u>	<u>374,850</u>	<u>383,554</u>
EXPENSE				
Administrative	48,644	54,933	66,798	74,273
Tenant services	100,000	100,000	106,000	106,000
Utilities	39,638	32,769	33,140	34,465
Ordinary maintenance	89,820	84,125	91,584	95,146
General	39,326	25,381	39,777	45,221
Capital/extraordinary maintenance	9,062	70,721	-	47,000
	<u>326,490</u>	<u>367,929</u>	<u>337,299</u>	<u>402,105</u>
Increase (decrease) in budget balance before transfers	(7,743)	2,158	37,551	(18,551)
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	(7,743)	2,158	37,551	(18,551)
BEGINNING BUDGET BALANCE	<u>681,372</u>	<u>673,629</u>	<u>675,787</u>	<u>713,338</u>
ENDING BUDGET BALANCE	<u>\$ 673,629</u>	<u>\$ 675,787</u>	<u>\$ 713,338</u>	<u>\$ 694,787</u>
AVERAGE UNITS PER MONTH	25	25	25	25

OFFICE BUILDING

The Office Building is used to account for the costs associated with the operation of the CDA's administrative office in Eagan, Minnesota. Other revenues consist of cost-reimbursements from each department based on the square footage utilized. Expenses are for the administration of the building, including the operation, maintenance and capital costs. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C. Transfers in consist of capital/extraordinary maintenance expenses from Housing Assistance – HCV pre-2004 reserves.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Other	\$ 259,400	\$ 271,069	\$ 306,846	\$ 342,080
EXPENSE				
Administrative	12,886	15,838	16,567	18,664
Utilities	55,145	51,542	57,205	57,000
Ordinary maintenance	106,327	112,799	124,559	121,560
General	7,371	17,018	22,550	33,638
Capital/extraordinary maintenance	208,254	103,113	389,442	253,000
	<u>389,983</u>	<u>300,310</u>	<u>610,323</u>	<u>483,862</u>
Increase (decrease) in budget balance before transfers	(130,583)	(29,241)	(303,477)	(141,782)
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>369,442</u>	<u>180,000</u>
Increase (decrease) in budget balance	(130,583)	(29,241)	65,965	38,218
BEGINNING BUDGET BALANCE	<u>169,335</u>	<u>38,752</u>	<u>9,511</u>	<u>75,476</u>
ENDING BUDGET BALANCE	<u>\$ 38,752</u>	<u>\$ 9,511</u>	<u>\$ 75,476</u>	<u>\$ 113,694</u>

TECHNOLOGY

Technology is used to account for the costs associated with maintaining the Agency's local area network (LAN) and providing software support and document imaging services. The Agency's network consists of 100 office workstations, 64 offsite computers and 7 networked printers.

Other revenue includes cost-reimbursements from each department. For the network each department's cost is based on the number of network peripherals utilized and for software support and document imaging services reimbursement is based on benefit received. Expenses are primarily for staff salaries, benefits and software maintenance. Capital/extraordinary maintenance expenses for the budget year are shown in Appendix C.

The deficit budget balance represents capital/extraordinary maintenance expenses that have not yet been recovered through user charges. Real Estate Operations provides working capital to finance these purchases and is repaid as the costs are recovered through user charges.

	Actual FYE 2023	Actual FYE 2024	Estimated FYE 2025	Budget FYE 2026
REVENUE				
Other	\$ 414,700	\$ 420,628	\$ 534,641	\$ 678,867
EXPENSE				
Administrative	374,957	381,915	493,217	645,763
Capital/extraordinary maintenance	-	-	-	75,000
	<u>374,957</u>	<u>381,915</u>	<u>493,217</u>	<u>720,763</u>
Increase (decrease) in budget balance before transfers	39,743	38,713	41,424	(41,896)
TRANSFERS IN (OUT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in budget balance	39,743	38,713	41,424	(41,896)
BEGINNING BUDGET BALANCE	(29,137)	10,606	49,319	90,743
ENDING BUDGET BALANCE	<u>\$ 10,606</u>	<u>\$ 49,319</u>	<u>\$ 90,743</u>	<u>\$ 48,847</u>

APPENDIX A

APPENDIX A: COMBINING SCHEDULE - HOUSING DEVELOPMENT & RENEWAL (HD&R), LEVY, AND HOPE
COMBINING SCHEDULE - HOUSING DEVELOPMENT & RENEWAL (HD&R), LEVY, & HOPE
BUDGET FOR YEAR ENDED JUNE 30, 2026

	Locally Funded Housing and Community Development Programs								
	Housing Development & Renewal (HD&R)								Total FYE 2026 Budget
	Housing Finance	LAHA Program	Economic Develop- ment	RIG Program	Land Banking	Total HD&RF	Levy	HOPE	
Revenue:									
Loan repayments	1,713,488	-	-	-	-	1,713,488	-	-	1,713,488
Land sales	-	-	-	-	40,000	40,000	-	-	40,000
Fee income	833,163	-	-	-	-	833,163	-	10,000	843,163
Grants	215,714	-	-	-	-	215,714	-	-	215,714
Tax Levy	-	-	571,990	545,388	-	1,117,378	8,877,332	1,500,000	11,494,710
Interest	100,000	-	-	-	-	100,000	596,466	202,638	899,104
Total Revenue	2,862,365	-	571,990	545,388	40,000	4,019,743	9,473,798	1,712,638	15,206,179
Administrative:									
Salaries and benefits	457,496	126,311	118,317	33,990	54,151	790,265	-	71,983	862,248
Indirect costs	134,517	32,855	30,776	8,841	17,071	224,060	-	18,724	242,784
Legal	61,500	-	1,000	-	7,500	70,000	-	8,500	78,500
Other administrative costs	86,644	7,035	9,397	2,557	8,241	113,874	-	7,327	121,201
Contract costs	40,000	-	-	-	40,000	80,000	-	3,220	83,220
Total Administrative	780,157	166,201	159,490	45,388	126,963	1,278,199	-	109,754	1,387,953
Other Costs:									
Affordable Housing									
Multifamily housing loans	-	-	-	-	-	-	-	1,500,000	1,500,000
Single family housing rehab loans	-	-	-	-	-	-	-	400,000	400,000
Down payment assistance loans	-	-	-	-	-	-	-	180,000	180,000
Vacant lots, planning, maint, other	-	-	-	-	34,904	34,904	-	-	34,904
Local weatherization programs	200,000	-	-	-	-	200,000	-	-	200,000
Community & Economic Development									
Greater MSP	-	-	100,000	-	-	100,000	-	-	100,000
MCCD (CDA portion)	-	-	165,000	-	-	165,000	-	-	165,000
Other economic development costs	-	-	117,500	500,000	-	617,500	-	-	617,500
Second stage business support	-	-	30,000	-	-	30,000	-	-	30,000
Total General	200,000	-	412,500	500,000	34,904	1,147,404	-	2,080,000	3,227,404
Transfers in/(out):									
Transfers to Common Bond Housing	-	-	-	-	-	-	(5,600,000)	-	(5,600,000)
Transfer to Lincoln Place & Nicols Pt	-	-	-	-	-	-	(100,782)	-	(100,782)
Transfer to Workforce Hsg (MHFA, FHF)	(999,167)	-	-	-	-	(999,167)	-	-	(999,167)
Transfer to Office Building	-	-	-	-	-	-	-	-	-
Total Transfers	(999,167)	-	-	-	-	(999,167)	(5,700,782)	-	(6,699,949)
Change in Budget Balance	883,041	(166,201)	-	-	(121,867)	594,973	3,773,016	(477,116)	3,890,873
			Beginning Budget Balance			19,209,875	14,202,765	5,640,640	39,053,280
			Ending Budget Balance			19,804,848	17,975,781	5,163,524	42,944,153

APPENDIX B

APPENDIX B: COMBINING SCHEDULE - TAX INCREMENT DISTRICTS

	District 8	District 9	District 11	District 12	District 13	District 14	District 15	District 16	District 17	Total FYE 2026 Budget
Revenue:										
Tax increment	\$ -	\$ -	\$ 1,492,364	\$ 109,637	\$ 176,282	\$ -	\$ 79,609	\$ 68,818	\$ -	\$ 1,926,710
Interest revenue	2,522	16,056	415,596	46,200	10,761	57,980	10,514	1,656	-	561,285
Total Revenue	2,522	16,056	1,907,960	155,837	187,043	57,980	90,123	70,474	-	2,487,995
Administrative:										
Salaries and benefits	807	807	8,940	2,624	807	807	807	807	454	16,860
Indirect costs	240	240	2,658	780	240	240	240	240	135	5,013
Legal	1,511	2,500	5,500	5,000	1,000	250	200	-	-	15,961
Other administrative costs	639	687	1,549	1,216	109	437	222	117	22	4,998
Contract costs	803	2,500	5,000	2,500	500	2,000	2,500	-	-	15,803
County TIF fee	-	-	4,250	675	675	-	675	675	675	7,625
Total Administrative	4,000	6,734	27,897	12,795	3,331	3,734	4,644	1,839	1,286	66,260
Other Expenses:										
<u>Affordable Housing</u>										
Pay-Go - Legends	-	-	-	-	-	-	55,575	-	-	55,575
Pay-Go - Aster House Apts	-	-	-	-	-	-	-	48,040	-	48,040
Senior Housing allowance	3,254	-	-	-	-	-	-	-	-	3,254
Multifamily Loans	-	-	5,000,000	-	-	-	-	-	-	5,000,000
Total General	3,254	-	5,000,000	-	-	-	55,575	48,040	-	5,106,869
Transfers/Capital Outlay:										
<u>Affordable Housing</u>										
Senior Building EM	103,000	-	60,000	-	-	-	-	-	-	163,000
Workforce Housing EM	-	-	215,000	-	-	-	-	-	-	215,000
Public Housing EM	-	-	70,000	-	-	-	-	-	-	70,000
Total Transfers/Capital Outlay	103,000	-	345,000	-	-	-	-	-	-	448,000
Change in Budget Balance	(107,732)	9,322	(3,464,937)	143,042	183,712	54,246	29,904	20,595	(1,286)	(3,133,134)
Beginning Budget Balance	107,732	608,269	9,924,343	1,172,655	144,947	1,490,633	265,779	37,966	(5,659)	13,746,665
Ending Budget Balance	\$ -	\$ 617,591	\$ 6,459,406	\$ 1,315,697	\$ 328,659	\$ 1,544,879	\$ 295,683	\$ 58,561	\$ (6,945)	\$ 10,613,531

APPENDIX C

**DAKOTA COUNTY CDA
CAPITAL EXPENSES AND EXTRAORDINARY MAINTENANCE PROJECT LISTING
BUDGET FOR YEAR ENDED JUNE 30, 2026**

REAL ESTATE OPERATIONS

PM	Replace maintenance vehicle	\$	38,000
AD	Replace phone system		20,000
Total - Real Estate Operations		\$	58,000

COMMON BOND HOUSING

LV - Winsor Plaza

HD	Replace retaining walls at 'A' entrance 2nd phase of the project	\$	30,000
HD	Tunnel water redirection		40,000
HD	EM management fees		7,000
			<u>77,000</u>

WSP - Haskell Court

HD	Replace elevator pit pump		5,000
HD	Replace Schlage access control hardware		84,000
HD	EM management fees		8,900
			<u>97,900</u>

EAG - Oakwoods

HD	Retaining wall repairs		12,000
HD	Rescreen porch and add a new door		7,000
HD	Replace com board - phone room water mitigation		15,000
HD	Paint garage walls		16,500
HD	EM management fees		5,050
			<u>55,550</u>

HSTGS - Mississippi Terrace

HD	Repair/rebuild flue and chimney		50,000
HD	Elevator power unit		30,000
HD	EM management fees		8,000
			<u>88,000</u>

IGH - Carmen Court

HD	Repair/replace the front sidewalk		7,500
HD	EM management fees		750
			<u>8,250</u>

AV - Orchard Square

HD	Add rock or terrace with block at East entry		4,000
HD	Elevator power unit		30,000
HD	EM management fees		3,400
			<u>37,400</u>

SSP - River Heights Terrace	
HD Landscape improvement - metal edging and rock	25,000
HD Replace 4 boilers, one pump assembly and supply piping	190,000
HD Replace Schlage access control hardware	110,000
HD EM management fees	32,500
	<hr/>
	357,500
MH - Parkview Plaza	
HD Elevator power unit	30,000
HD Replace Schlage access control hardware	130,000
HD EM management fees	16,000
	<hr/>
	176,000
RSMT - Cameo Place	
HD Elevator power unit	30,000
HD Replace Schlage access control hardware	95,000
HD EM management fees	12,500
	<hr/>
	137,500
EAG - O'Leary Manor	
HD Elevator power unit	30,000
HD Repair cracked sidewalks	7,500
HD EM management fees	3,750
	<hr/>
	41,250
BV - Park Ridge Place	
HD Landscape improvements - metal edging and rock	25,000
HD Front building landscaping - repair/replace small retaining wall near screened porch	9,500
HD Replace exterior door at kitchen	3,000
HD Add gutter guard along backside of building	17,000
HD Elevator power unit	30,000
HD EM management fees	8,450
	<hr/>
	92,950
AV - Cortland Square	
HD Tuckpoint and new cap at chimney near patio	6,500
HD Repair/replace exterior doors	12,000
HD Elevator power unit	30,000
HD EM management fees	4,850
	<hr/>
	53,350
LV - Main Street Manor	
HD Elevator power unit	30,000
PM Commercial space renovation	65,000
HD EM management fees	3,000
	<hr/>
	98,000

IGH - Cahill Commons	
HD Replace parking lot	65,000
HD Landscape improvement - metal edging and rock	25,000
HD Elevator power unit	30,000
HD EM management fees	12,000
	<hr/>
	132,000
MH - Village Commons	
HD Elevator power unit	30,000
HD EM management fees	3,000
	<hr/>
	33,000
EAG - Lakeside Pointe	
HD Repair sidewalks	7,500
HD Sealcoat individual lot	7,500
HD Replace Schlage access control hardware	125,000
HD EM management fees	14,000
	<hr/>
	154,000
WSP - The Dakotah	
HD Replace the door from the lobby into the screened porch	7,500
PM Replace commercial space HVAC	24,000
PM Commercial space renovation including roof access	100,000
HD EM management fees	750
	<hr/>
	132,250
HSTGS - Rivertown Court	
HD Landscape improvement - metal edging and rock	25,000
HD EM management fees	2,500
	<hr/>
	27,500
SSP - Dakota Heights	
HD Replace windows and roof	475,000
HD Replace Schlage access control hardware	112,000
HD EM management fees	58,700
	<hr/>
	645,700
EAG - Oakwoods East	
HD Add trench drain at service door to tie into existing OH door drain	8,000
HD Landscape improvement - metal edging and rock	25,000
HD Repair block wall at patio	10,000
HD Glue cap block at garage entry retaining wall	5,000
HD EM management fees	4,800
	<hr/>
	52,800
LV - Crossroads Commons	
HD Pour new sidewalk to close gap near AC at west entry and patio	5,000
HD Landscape improvement - metal edging and rock	25,000
HD Repair small section of failing retaining wall near south garage	12,000
HD Increase access control for stairwell security	12,000
HD EM management fees	5,400
	<hr/>
	59,400

FGTN - Vermillion River Crossing	
HD Caulking and tuckpointing at exterior	15,000
HD Pull siding and reflash along 3rd Floor clubroom patio	25,000
HD Repair and reflash flat roof areas around boiler exhaust	25,000
HD EM management fees	6,500
	<hr/> 71,500
BV - Valley Ridge	
HD Repair roof leak at Elevator #2	30,000
HD New AC compressor at roof of IL	12,000
HD Replace fire panel system	85,000
HD EM management fees	12,700
	<hr/> 139,700
IGH - Hillcrest	
HD Repair retaining wall near the parking lot	12,000
HD EM management fees	1,200
	<hr/> 13,200
RSMT - Cambrian Commons	
HD Replace louver/garage exhaust updated	11,000
HD EM management fees	1,100
	<hr/> 12,100
Various Senior Buildings - CBF ALL	
HD Unit minicap at turnover (25 total)	300,000
HD Smoke and fire dampers	15,000
PM Replace appliances	120,000
HD Contingency - 10%	299,200
HD EM management fees	31,500
	<hr/> 765,700
Total - Common Bond Housing	<hr/> <hr/> \$ 3,559,500
PUBLIC HOUSING	
Scattered Sites	
PM Install public sidewalks adjacent to Glazier Townhomes	\$ 70,000
	<hr/> 70,000
Colleen Loney Manor	
HD Paint halls	\$ 40,000
HD Acoustical ceiling (1st & 4th)	40,000
HD Water piping replacement	25,000
HD Unit baseboard heat covers	110,000
HD Elevator wall panels (2 elevators)	30,000
HD Elevator consultant	3,000
	<hr/> 248,000
Total - Public Housing	<hr/> <hr/> \$ 318,000

SECTION 18 LLC

HD Interior remodels to Dispo units	\$ 300,000
PM Interior remodels to Dispo units	100,000
HD EM management fees	30,000
Total - Section 18 LLC	\$ 430,000

WORKFORCE HOUSING LLC**BV - Parkside**

HD Sealcoat	\$ 10,000
HD EM management fees	1,000
	<u>11,000</u>

AV - Glenbrook

HD Concrete repairs - mudjack at entryways	7,000
HD Replace soffit and fascia	25,000
HD Insulate plumbing in units with main water valves	5,000
HD Sealcoat	16,000
HD Add 8x8 storage shed	25,000
HD EM management fees	7,800
	<u>85,800</u>

IGH - Spruce Pointe

HD Repair/paint Hardi shake siding at first couple courses-back of bldgs.	15,000
HD EM management fees	1,500
	<u>16,500</u>

EAG - Oak Ridge

HD Replace back doors and storm doors @ 8 locations	10,000
HD Replace 4 mailboxes and package lockers	18,000
HD New retaining walls at playground and back of resident units	35,000
HD EM management fees	6,300
	<u>69,300</u>

HSTGS - Pleasant Ridge

HD Replace/repair skirt board in various locations	3,000
HD EM management fees	300
	<u>3,300</u>

LV - Cedar Valley

HD Scrape paint garage bucks	10,500
HD Replace landscape edging with metal	20,000
HD Sealcoat	16,500
HD Repair Gazebo - Repair soffit, repaint posts, and beams	7,000
HD EM management fees	5,400
	<u>59,400</u>

AV - Chasewood

HD Replace parking lot - add 3 speedbumps	165,000
HD EM management fees	16,500
	<u>181,500</u>

MH - Hillside Gables	
HD Exterior renovation - windows, siding, roof	825,000
HD Sealcoat	10,500
HD EM management fees	83,550
	<hr/> 919,050
HSTGS - Marketplace	
HD Exterior renovation - windows, siding, roof, tuckpointing, fascia, soffit	980,000
HD EM management fees	98,000
	<hr/> 1,078,000
BV - Heart of the City	
HD Asphalt repair - low areas in lot/water diversion	18,000
HD Repair downspout drains in front (green PVC)	10,000
HD Replace smoke/CO2 detectors	13,000
HD EM management fees	4,100
	<hr/> 45,100
EAG - Erin Place	
HD Landscape mulch & plantings	25,000
HD Replace smoke/CO2 detectors	13,000
HD EM management fees	3,800
	<hr/> 41,800
Various Workforce Housing Properties - WH ALL	
HD Unit minicap at turnover	218,000
PM Replace appliances	49,000
HD Contingency - 10%	254,950
HD EM management fees	21,800
	<hr/> 543,750
Total - Workforce Housing LLC	<hr/> <hr/> \$ 3,054,500
WORKFORCE HOUSING II LLC	
LV - Prairie Crossing	
HD Window repair	\$ 12,000
HD Exterior touchup painting	12,000
HD Replace smoke/CO2 detectors	15,500
HD EM management fees	3,950
	<hr/> 43,450
IGH - Lafayette	
HD Repair/replace/paint deteriorated Hardi Soffit	15,000
HD Replace smoke /CO2 detectors	13,000
HD EM management fees	2,800
	<hr/> 30,800

HSTGS - West Village	
HD Repair tuckpoint at garages	10,000
HD Sealcoat/asphalt repair	20,000
HD EM management fees	3,000
	<hr/> 33,000
RMST - Carbury Hills	
HD Repair dormer trim flashing above garages	5,000
HD Caulk all windows that are set in brick	2,500
HD EM management fees	750
	<hr/> 8,250
Various Workforce Housing II Properties - WH ALL	
HD Unit minicap at turnover	70,000
PM Replace appliances	16,000
HD Contingency - 10%	19,100
HD EM management fees	7,000
	<hr/> 112,100
Total - Workforce Housing II LLC	<hr/> <hr/> \$ 227,600
YOUTH HOUSING	
HD Common area painting	\$ 22,000
HD Replace appliances	25,000
Total - Youth Housing	<hr/> <hr/> \$ 47,000
OFFICE BUILDING	
HD Replace parking lot (staff lot and trail) and minor curb repair	\$ 230,000
HD EM management fees	23,000
Total - Office Building	<hr/> <hr/> \$ 253,000
TECHNOLOGY	
AD Replace server room UPS battery	\$ 15,000
AD Power BI startup	60,000
Total - Technology	<hr/> <hr/> \$ 75,000
TOTAL ALL PROGRAMS	<hr/> <hr/> \$ 8,022,600

APPENDIX D

Dakota County Community Development Agency
Annual Operating Budget and Financial Plan - All Funds
FYE 6/30/26

	Annual Operating Budget																	Program Budgets									
	HD&R	HIA Loan	HOPE	Levy	Tax Increment	REO	Common Bond Housing	Housing Assistance	Nicols Pointe	Public Housing	Section 18 LLC	Workforce Housing	Workforce Housing II	Youth Housing	Office Bldg & Tech	Total	CDBG	NSP	HOME	ESG	H.O. Coun-seling	Wx	MHFA Rehab	LAHA	Public Housing CFP	All Funds	
REVENUE																											
Intergovernmental (grants)	\$ 215,714	\$ -	\$ -	\$ 11,000	\$ -	\$ -	\$ -	\$ 34,312,256	\$ -	\$ 168,694	\$ -	\$ 1,805,000	\$ -	\$ 150,000	\$ -	\$ 36,662,664	\$2,956,936	\$ -	\$ 967,870	\$146,571	\$ 73,500	\$2,212,073	\$ 115,400	\$1,311,074	\$1,900,589	\$ 46,346,677	
Taxes	-	-	-	11,483,710	-	-	-	-	-	-	-	-	-	-	-	11,483,710	-	-	-	-	-	-	-	-	-	-	11,483,710
Tax increment	-	-	-	-	1,926,710	-	-	-	-	-	-	-	-	-	-	1,926,710	-	-	-	-	-	-	-	-	-	-	1,926,710
Special assessments	-	18,910	-	-	-	-	-	-	-	-	-	-	-	-	-	18,910	-	-	-	-	-	-	-	-	-	-	18,910
Rental	-	-	-	-	-	-	19,549,275	-	153,308	1,567,206	1,255,330	4,605,338	1,516,930	189,906	-	28,837,293	-	68,540	-	-	-	-	-	-	-	-	28,905,833
Interest	100,000	-	202,638	596,466	561,285	3,000,000	2,025,000	172,454	-	327,605	-	62,273	1,780	32,013	-	7,081,514	-	-	-	-	-	-	-	-	-	-	7,081,514
Fee income	833,163	-	-	-	-	5,788,269	344,234	279,976	16,646	47,112	41,312	125,190	39,841	8,324	-	7,524,067	-	-	-	-	1,984	-	-	-	-	-	7,526,051
Loan repayments	1,713,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,713,488	580,000	-	-	-	-	-	-	-	-	-	2,293,488
Property sales	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,000	-	-	-	-	-	-	-	-	-	-	40,000
Other	-	-	10,000	-	-	51,246	28,636	140,000	939	10,502	3,125	20,564	4,025	3,311	1,020,947	1,293,295	-	-	8,500	-	1,000	10,000	-	-	-	-	1,312,795
Total Revenue	2,902,365	18,910	212,638	12,091,176	2,487,995	8,839,515	21,947,145	34,904,686	170,893	2,121,119	1,299,767	6,618,365	1,562,576	383,554	1,020,947	96,581,651	3,536,936	68,540	976,370	146,571	76,484	2,222,073	115,400	1,311,074	1,900,589	106,935,688	
EXPENSE																											
Administrative	1,279,138	203	106,534	-	66,260	3,990,868	4,158,750	3,817,416	58,336	379,899	186,040	952,391	328,871	74,273	664,427	16,063,406	736,936	10,964	176,370	11,571	73,634	714,504	19,287	-	185,589	17,992,261	
Tenant services	-	-	-	-	-	-	-	-	-	11,357	-	-	-	106,000	-	117,357	-	-	-	-	-	-	-	-	-	-	117,357
Utilities	1,500	-	-	-	-	-	1,484,303	-	23,605	195,460	69,592	305,706	114,862	34,465	57,000	2,286,493	-	4,065	-	-	-	-	-	-	-	-	2,290,558
Ordinary maintenance	27,465	-	-	-	-	-	5,057,090	-	70,965	824,362	361,337	1,237,392	421,847	95,146	121,560	8,217,164	-	18,564	-	-	-	-	-	-	-	-	8,235,728
General	1,117,500	2,935	2,083,220	-	5,106,869	18,000	2,609,640	10,000	26,829	310,139	193,418	647,507	172,283	45,221	33,638	12,377,199	-	7,083	-	-	-	-	-	-	-	-	12,384,282
Housing assistance payments	-	-	-	-	-	-	-	31,408,349	-	-	-	-	-	-	-	31,408,349	-	-	-	-	-	-	-	-	-	-	31,408,349
Grant/Program expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,800,000	-	800,000	135,000	2,850	1,507,569	100,000	1,311,074	1,715,000	8,371,493	
Total Operating Expense	2,425,603	3,138	2,189,754	-	5,173,129	4,008,868	13,309,783	35,235,765	179,735	1,721,217	810,387	3,142,996	1,037,863	355,105	876,625	70,469,968	3,536,936	40,676	976,370	146,571	76,484	2,222,073	119,287	1,311,074	1,900,589	80,800,028	
Debt service	-	-	-	-	-	-	5,704,141	-	-	-	-	1,425,995	110,486	-	-	7,240,622	-	-	-	-	-	-	-	-	-	-	7,240,622
Capital / Extraordinary maintenance	-	-	-	-	-	58,000	3,559,500	-	-	318,000	430,000	3,054,500	227,600	47,000	328,000	8,022,600	-	-	-	-	-	-	-	-	-	-	8,022,600
Total Expense	2,425,603	3,138	2,189,754	-	5,173,129	4,066,868	22,573,424	35,235,765	179,735	2,039,217	1,240,387	7,623,491	1,375,949	402,105	1,204,625	85,733,190	3,536,936	40,676	976,370	146,571	76,484	2,222,073	119,287	1,311,074	1,900,589	96,063,250	
Change in Budget Balance Before Transfers	476,762	15,772	(1,977,116)	12,091,176	(2,685,134)	4,772,647	(626,279)	(331,079)	(8,842)	81,902	59,380	(1,005,126)	186,627	(18,551)	(183,678)	10,848,461	-	27,864	-	-	-	-	(3,887)	-	-	-	10,872,438
TRANSFERS																											
Transfers in	1,117,378	-	1,500,000	-	-	-	5,763,000	52,490	48,292	70,000	-	1,214,167	-	-	180,000	9,945,327	-	-	-	-	-	-	-	-	-	-	9,945,327
Transfers out	(999,167)	-	-	(8,318,160)	(448,000)	-	-	(180,000)	-	-	-	-	-	-	-	(9,945,327)	-	-	-	-	-	-	-	-	-	-	(9,945,327)
Net Transfers	118,211	-	1,500,000	(8,318,160)	(448,000)	-	5,763,000	(127,510)	48,292	70,000	-	1,214,167	-	-	180,000	-	-	-	-	-	-	-	-	-	-	-	-
Change in Budget Balance	594,973	15,772	(477,116)	3,773,016	(3,133,134)	4,772,647	5,136,721	(458,589)	39,450	151,902	59,380	209,041	186,627	(18,551)	(3,678)	10,848,461	-	27,864	-	-	-	-	(3,887)	-	-	-	10,872,438
Beginning Budget Balance	19,209,875	(19,492)	5,640,640	14,202,765	13,746,665	75,616,562	50,689,677	5,147,719	5,801,489	7,830,580	15,964,856	9,330,334	4,294,484	713,338	166,219	228,335,711	-	201,709	-	-	-	-	28,243	-	-	-	228,565,663
Ending Budget Balance	\$ 19,804,848	\$ (3,720)	\$ 5,163,524	\$ 17,975,781	\$ 10,613,531	\$ 80,389,209	\$ 55,826,398	\$ 4,689,130	\$ 5,840,939	\$ 7,982,482	\$ 16,024,236	\$ 9,539,375	\$ 4,481,111	\$ 694,787	\$ 162,541	\$ 239,184,172	\$ -	\$ 229,573	\$ -	\$ -	\$ -	\$ -	\$ 24,356	\$ -	\$ -	\$ -	\$ 239,438,101



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 6B

DEPARTMENT: Community and Economic Development

FILE TYPE: Regular - Action

TITLE

Approval Of Contingent Redevelopment Incentive Grant Award For The City Of Rosemount

PURPOSE/ACTION REQUESTED

Approval of \$250,000 Redevelopment Incentive Grant (RIG) project award for the City of Rosemount.

SUMMARY

The Dakota County CDA RIG program was created in 2006 to provide a flexible funding resource to Dakota County cities for the redevelopment of blighted and under-utilized areas. The RIG program supports three types of redevelopment grants: planning, environmental investigation, and project.

The City of Rosemount (City) is requesting \$250,000 for the redevelopment of a nearly 61-acre parcel in UMore Park generally west of Blaine Avenue and 152nd Street E. (the Site). North Wind, LLC is developing the property to become the home of the Minnesota Aerospace Complex which will include multiple buildings and facilities for hypersonic testing needs. The proposed development will include three large wind tunnel buildings, two $\pm 50,000$ sq. ft. buildings, and one $\pm 80,000$ sq. ft. building, as well as several smaller structures that will support the overall complex. Past uses on the Site were various agricultural and heavy industrial users including Gopher Ordnance Works during World War II and an electrical transformer recycling facility during later years. The Site is a Superfund site and requires significant environmental remediation to allow for redevelopment. North Wind, LLC will use the RIG funds to demolish and clear three existing buildings and remediate at least 23,000 cubic yards of soil in the area. Total redevelopment costs for the Site will exceed \$243 million. The projected appraised value of the Site after redevelopment in 2029 is \$220 million, with estimated annual property taxes of \$5-6 million. The redevelopment is expected to create 40 new jobs and retain 40 jobs that pay over \$15 per hour.

The RIG program provides a maximum of \$250,000 for redevelopment project grants. Redevelopment projects must have a minimum leverage of 2:1 (\$2 dollar of non-RIG funding for every \$1 of RIG funding), City Council approval, City support for the mission of the CDA, and the application must demonstrate other funding resources are used, the project can be completed in 12 months the project has a defined economic benefit either through jobs or increased tax base, and/or the project improves or preserves the environment. The proposed Project meets the eligibility criteria.

Since the program began in 2006, the CDA Board has awarded over \$14.8 million to 71 redevelopment projects, 30 planning activities, and six environmental investigation activities. This includes \$988,500 in RIG awards for the City of Rosemount.

RECOMMENDATION

CDA staff recommends awarding the City of Rosemount up to \$250,000 in RIG funds for eligible activities related to the redevelopment of the North Wind, LLC Redevelopment as described in the

City's application. The RIG award will be contingent on the applicant meeting all program guidelines, grant conditions, and entering into a grant agreement with the CDA.

EXPLANATION OF FISCAL/FTE IMPACTS

The CDA's remaining budget for RIG is \$700,023 (\$400,000 from the CDA and \$300,023 from Dakota County). If approved by the Board, \$200,000 of funding for this grant will come from the CDA's allocation of RIG funding, and \$50,000 will come from the County's allocation.

☐ None ☒ Current budget ☐ Amendment Requested ☐ Other

RESOLUTION

WHEREAS, the Dakota County Community Development Agency (CDA) established a Redevelopment Incentive Grant (RIG) program in 2007 to assist Dakota County cities with the redevelopment of blighted and under-utilized areas; and

WHEREAS, to date, the program has awarded over \$14.8 million to 71 redevelopment projects, 30 planning activities, and six environmental investigation activities; and

WHEREAS, of the total awards, \$988,500 has been granted to the City of Rosemount (the City); and

WHEREAS, the CDA has \$400,000 of remaining available funds in its Fiscal Year Ending 2025 budget and Dakota County, through its Environmental Resources Department, has an additional \$300,023 of remaining available funds for RIG projects that require environmental remediation; and

WHEREAS, Dakota County cities can apply to receive up to \$250,000 per redevelopment project grant (one per local government) per fiscal year; and

WHEREAS, the City submitted an application requesting \$250,000 for clearance and demolition of existing structures and remediation of contaminated soils at an approximately 61-acre site generally located west of Blaine Avenue and 152nd Street E.; and

WHEREAS, the City's application meets the eligibility criteria to receive full funding as listed in the RIG Program Policy and Procedures Guide.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the City of Rosemount is awarded a RIG project grant up to \$250,000 contingent upon the grantee meeting program guidelines and entering into a grant agreement with the CDA, in form and content acceptable to the Executive Director of the CDA.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment A: Rosemount RIG Project Application

CONTACT

Department Head: Lisa Alfson, Director of Community and Economic Development

Author: Margaret Dykes, Assistant Director of Community and Economic Development



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

I. APPLICANT INFORMATION

Applicant	Organization: City of Rosemount Contact Name: Eric Van Oss Address: 2875 145 th Street West, Rosemount, MN 55068 Phone Number: 651-322-2059 Email: eric.vanoss@rosemountmn.gov Authorized representative for execution of grant agreement and contract(s): Name: Eric Van Oss Title: Project Manager
Project Request	Name of Project: Project Falcon Amount of RIG funding request: \$ 250,000.00 Total redevelopment costs: \$ 150,900,000.00

II. AREA OR SITE CONDITIONS

General location of Area (Property ID and/or Address):	This property does not have an address. The property legal description is as follows: DEVELOPMENT PARCEL LEGAL DESCRIPTION: That part of the Northeast Quarter of Section 35, Township 115 North, Range 19 West described as follows: Commencing at the northeast corner of said Section 35; thence South 00 degrees 27 minutes 47 seconds West, assumed bearing, along the east line of said Northeast Quarter, a distance of 300.01 feet to the south line of the North 300.00 feet of said Section 35, also being the south line of the plat of ROSEMOUNT TECHNOLOGY ADDITION and the point of beginning of the parcel to be described; thence continuing South 00 degrees 27 minutes 47 seconds West, along said east line of the Northeast Quarter, a distance of 1278.36 feet; thence South 89 degrees 56 minutes 07 seconds West, a distance of 2068.51 feet; thence North 00 degrees 23 minutes 47 seconds East, a distance of 1279.05 feet to said south line of the North 300.00 feet of Section 35; thence North 89 degrees 57 minutes 16 seconds East, along said south line of the North 300.00 feet of Section 35, a distance of 2070.00 feet to the point of beginning. Containing 2,645,874 square feet or 60.74091 acres, more or less.
Legal Description of Site:	UMore Park
Site Size (acres):	60.7
Number of Parcels:	1
Number of buildings on site:	4
Current Site Owner:	Regents of the University of Minnesota
Current appraised or assessed value of the Project Area properties:	\$8,857,708

The CDA reserves the right to seek additional information after initial review of the application.



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

Current property taxes of the Project Area properties	\$0 (Tax Exempt)
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The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

III. REDEVELOPMENT PROJECT INFORMATION

<p>Describe the city's goals and need for the Project including anticipated businesses, housing units, and other proposed components. Please explain the public benefit of the Project.</p>	<p>This site is located within the University of Minnesota Outreach, Research and Education (UMore) Park where thousands of vacant acres are available for purchase and development from the University of Minnesota with the goal of UMore Park becoming a thriving technical district. The Minnesota Aerospace Complex (MAC) is one for the first planned developments in UMore park and will attract additional technical companies related to the hypersonic testing industry to establish a local presence due to the state-of-the-art hypersonic testing offerings at the MAC. Possible industries could include Aero engine and component manufacturers, component fabrication shops, precision machine shops, etc. Additionally, as part of construction activities new roadways and associated infrastructure will be installed.</p>
<p>Provide a brief history of the site including previous uses, activities, prior or existing contamination, and other attempts at redevelopment</p>	<p>The Site consisted of cultivated agricultural land with a farmstead located in the northeast corner of the Site until the early-1940s. In 1942, the federal government obtained ownership of the Site through condemnation and constructed the Gopher Ordinance Work (GOW), a government-owned contractor-operated smokeless gunpowder production facility. The southern portion of the Site was developed with portions of the ABC Lines for the manufacture and processing of smokeless gun powder. The northern portion of the Site was the location of the GOW Temporary Shops Area that were constructed during the operation of the GOW to support construction and operation activities, and included an acids lab, a lead melting area, cotton storage, and acidification areas. After the GOW was decommissioned, the building was leased to various U of M tenants, including a transformer recycling operation, automotive repair, storage, agricultural use and for residential purposes. One of those tenants, US Transformer, was the subject of Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) investigations and corrective actions. Some of the historic buildings were demolished between 2003 and 2008, however four buildings as well as many remnant foundations, and historic support structures remain. Arsenic was detected above the industrial SRV to a depth of 3 feet near the former</p>

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

	<p>automotive repair shop (32T). Mercury was also detected above the industrial SRV in this area in a sample from 0.5 feet. ACM building debris was identified to a depth of 4 feet near building 32T. Lead was detected above the industrial SRV in samples collected to 1-foot deep near the former lead burner shop (46T). Arsenic was detected above the industrial SRV near the former Acid Lab building (706B) to 3 feet. Building 101A identified several contaminants including arsenic above the industrial SRV to a depth of 1-foot, PCBs above the SLV to a depth of 3 feet, and ACM debris to a depth of 3 feet. There are several areas of buried debris with ACM across the site, these areas are shown on the attached figures. These areas range in depth from 0-4 feet below current grades.</p>
<p>Describe the Project including the type of redevelopment that will occur, how the Project will improve site conditions, how the Project will improve economic opportunity in the community.</p>	<p>Currently the Site has several obsolete/dilapidated buildings used for storage present with much of the Site being vacant land. Soil contamination has been identified across much of the Site along with widespread buried debris present, much of which has been identified as asbestos containing debris. The Site will be developed by North Wind, LLC over the next 5 years to become the home of the Minnesota Aerospace Complex (MAC) which will include multiple buildings and facilities to satisfy private industry customer hypersonic testing needs and Federal government customer hypersonic testing needs. The proposed development will include 3 large wind tunnel buildings, two approximately sized as 50,000 square feet, and one approximately sized as 80,00 square feet. These three wind tunnel buildings will be the anchors of the complex and will house very complex wind tunnel structures that will operate within the supersonic to hypersonic Mach range to permit development testing of hypersonic flight vehicle components. In addition to these three primary structures, there will be multiple structures built to support the operation of the wind tunnels such as a compressor building, a compressed air storage building, cooling water storage structure, a vacuum structure, a central heating and cooling plant, a large office and computing center to support the technical operation and data collection of the tunnels, a 100MW electrical substation to support the power requirements of the complex, a security building, an electrical building and a maintenance building. Note that this completed complex will be owned and</p>

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**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

	operated by North Winds LLC and will host a variety of public and private flight development customers who will use the offered hypersonic testing services.
Describe the specific components or activities that are part of the Project, e.g. soil remediation, removal of obsolete structures, creation of new jobs, creation of new housing, etc.	As part of development soil contamination will be addressed per the MPCA approved Response Action Plan (RAP) and Construction Contingency Plan (CCP) which will generally involve landfill placement. Several existing dilapidated buildings are present that will be demolished and removed from the site in addition to out of use infrastructure formerly associated with former buildings.
What is the end use of the Project site? Please be specific.	The Minnesota Aerospace Complex which will consist of a campus of three wind tunnels and all supporting buildings and structures to enable hypersonic development testing and research to further the advancement of flight vehicle technology both in the public and private sectors.
After redevelopment is completed, will properties in the Plan Area be publicly or privately owned?	<input type="checkbox"/> Publicly owned <input checked="" type="checkbox"/> Privately owned
Is demolition of slum or blighted buildings or other structures an activity of the Project?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please describe.	Demolition of four (4) industrial buildings and additional former building components.
Describe how the Project will make more efficient use of the site.	Approximately 30 acres of the Site are leased for agricultural purposes, the four dilapidated buildings are used for cold storage the rest of the Site is currently unused, and is not usable due to the large amounts of buried debris and remnant structures from the former GOW that prevent use of large portions of the Site. The site is currently greatly underutilized, provides no jobs, and generate no tax revenue. The planned redevelopment will bring over 60 acres of high tech industry, over 40 jobs in the first phase of development, greatly increase tax revenue and will attract additional technical companies related to the hypersonic testing industry to establish a local presence due to the state-of-the-art hypersonic testing offerings at the MAC.
Post-redevelopment Site Owner(s):	North Wind Test LLC

The CDA reserves the right to seek additional information after initial review of the application.

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY REDEVELOPMENT INCENTIVE GRANT (RIG) PROJECT APPLICATION

<u><i>If end user has committed, attach documentation of commitment.</i></u>	
Identify any other Project partners such as developers, consultants, and regulating/permitting agencies	Civil Design Team: Kimley-Horn; Environmental/Geotechnical team: Braun Intertec; Minnesota Pollution Control Agency; Regulator; City of Rosemount: regulating/permitting agencies

IV. ELIGIBLE ACTIVITIES

- Please check all activities that apply, briefly describe the activity, and provide the dollar amount requested for the activity. Please see the ***“Redevelopment Incentive Grant Policy and Procedures Guide”*** for a description of the eligible activities.
- Please provide any documents that support the need for the RIG funds, e.g. development plans, site plans, environmental documentation, etc.

<u>Eligible Activity</u>	<u>Description</u>	<u>RIG Funding Requested</u>
<input type="checkbox"/> Acquisition	Click or tap here to enter text.	\$Click or tap here to enter text.
<input type="checkbox"/> Relocation Payments	Click or tap here to enter text.	\$Click or tap here to enter text.
<input checked="" type="checkbox"/> Clearance and Demolition	Cleaning up existing vegetation and above ground structures	\$200,000.00
<input type="checkbox"/> Environmental Investigation	Click or tap here to enter text.	\$Click or tap here to enter text.
<input checked="" type="checkbox"/> Environmental Remediation	Remediation of impacted soils	\$50,000
<input type="checkbox"/> Necessary Public Infrastructure	Click or tap here to enter text.	\$Click or tap here to enter text.
<input type="checkbox"/> Geotechnical Soil Corrections	Click or tap here to enter text.	\$Click or tap here to enter text.

V. ACQUISITION AND RELOCATION ACTIVITIES

If the project includes property acquisition, clearance and/or construction activities, describe how owners, tenants, and businesses will be temporarily or permanently relocated.	Not applicable
When has/will the acquisition be completed?	2025
Attach the relocation plan, if applicable.	Not applicable

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

VI. PROJECT ENVIRONMENTAL INFORMATION

Has an environmental assessment been completed for the Redevelopment Project?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If so, what level of investigation was done as part of the Redevelopment Project?	Both a Phase I and Phase II ESA with other previous investigation activities are summarized in a Response Action Plan (RAP) that has been approved by the MPCA
Has the Redevelopment Project site been found or suspected to be contaminated?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does your Redevelopment Project include the cleanup of contaminated soils, hazardous waste or materials?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe information on type of cleanup, what measures have been taken to address the contamination, consultant reports, and/or Response Action Plan.	An MPCA approved RAP details known areas of contamination and associated handling activities. In general, chemically contaminated soil has been identified in addition to asbestos containing debris soil with primarily dig-haul-dispose activities planned to occur to meet industrial use criteria within surficial soil intervals.
Describe positive environmental impacts of the activities that are part of the Project.	The property has remained contaminated since prior development in the mid-1940s which has since identified debris, asbestos, RCRA metals, and PCB impacts totaling at least 23,000 cubic yards of soil requiring off-site disposal. Additionally, stormwater features are planned to be installed as part of redevelopment activities. This legacy of contamination has been a barrier to clean up and redevelopment in the past, this redevelopment will address the risks associated with the impacts at the Site, making reuse of the site possible.

VII. HOUSING AFFORDABILITY INFORMATION

Indicate the number of housing units planned in the Project, if any. No housing is planned for the Site; this will be a commercial/industrial development.

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
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Unit Type	Total # of Units	# of Owner Units	# of Rental Units	Proposed Rents/ Sales Prices
Single Family	0	0	0	N/A
Townhouse	0	0	0	N/A
Apartments/Condominiums	0	0	0	N/A
Duplexes	0	0	0	N/A
Other:	0	0	0	N/A

Will there be any mechanisms to ensure long-term affordability?

☐ Yes

☒ No

If yes, please describe. [Click or tap here to enter text.](#)

VIII. ECONOMIC BENEFITS

Projected appraised or assessed value of the site after redevelopment:	\$ 220,000,000.00 Pay Year: 2029
What will be the estimated property taxes after redevelopment?	\$ 5,000,000.00 to 6,000,000.00 Pay Year: 2029
Project the number of <u>new</u> jobs on the Project site created after redevelopment.	Total new jobs (FTEs only) = 40
Number of new jobs with wages greater than \$15.00 per hour	40
Project the number of jobs <u>retained</u> on the Project site after redevelopment.	Total retained jobs (FTEs only) = 40
Number of retained jobs with wages greater than \$15.00 per hour	40

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

IX. PROJECT SOURCES AND USES

Itemize all funding sources for the Project and the Activities identified as part of the Project. **Please include the requested RIG funds in the total.**

Source of Funds	Amount	Committed	Pending
Minnesota Employment & Economic Development (DEED)	\$ 49,950,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
City of Rosemount-Contamination Investigation and RAP Development Grant	\$ 41,433.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dakota County-Site Investigation Grant	\$ 25,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dakota County- Re-development Incentive Grant (RIG)	\$ 250,000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>
MN DEED- Contamination Cleanup Grant	\$ 1,400,000.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>
North Wind Existing Wind Tunnel Components	\$ 85,000,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XCEL Transmission Upgrades	\$ 7,200,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
University of Minnesota-Escrow Account for Environmental Cleanup	\$ 1,000,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Federal Government Contract	\$ 98,500,000.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total:	\$ 243,366,433.00		

Itemize all Project expenses for the Project and the Activities identified as part of the Project. Be as detailed as possible. **Please include the requested RIG funds in the Funding Sources column.**

Project Activities/Expenses	Amount	Funding Source
Purchase of 60.7 acres	\$ 8,100,000.00	MN DEED Forward Fund
General Site Preparation/Roads/Buildings	\$ 15,950,000.00	MN DEED Forward Fund
XCEL Electrical Substation	\$10,000,000.00	MN DEED Forward Fund
Rosemount Infrastructure	\$ 13,900,000.00	MN DEED Forward Fund
Environmental Cleanup	\$ 41,433.00	City/DEED Grant
Environmental Cleanup	\$ 25,000.00	County Grant
Environmental Cleanup	\$ 1,400,000.00	City/DEED Grant

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

Clearance and Demolition	\$ 250,000.00	Dakota County RIG Grant
Environmental Cleanup	\$ 1,000,000.00	University of Minnesota Escrow Agreement
Wind Tunnel Buildings	\$ 15,500,000.00	Federal Government Contract
Wind Tunnel Components	\$ 83,000,000.00	Federal Government Contract
Wind Tunnel Components	\$ 85,000,000.00	North Wind
XCEL Transmission Upgrades	\$ 7,200,000.00	XCEL
Working Capital	\$ 2,000,000.00	MN DEED Forward Fund
Total:	\$ 243,366,433.000	

List other sources of funds requested or considered but not obtained for the Project, and explain why they were not obtained, to the best of your knowledge. (The purpose of this question is to ensure all other funding sources have been exhausted.)

Federal United States Government Department of Defense contracts

X. PROJECT READINESS TO PROCEED

Please provide a detailed timeline of the Project with all actions, phases, and anticipated dates for completion.	June 2025 – Property Purchased; July 2025 - Remedial Specifications; October 2025 - Building Demolition; December 2025 – Soil Remediation; March 2026 - RAP Implementation Report; August 2025 – July 2026 Site Preparation; October 2025-January 2028 Tunnel 1 Construction; July 2026-October 2028 Tunnel 2 Construction.
Please indicate whether any of the following entitlement or due diligence actions are required or have been completed for the Project:	
<input type="checkbox"/> Comprehensive plan amendment: Status: Click or tap here to enter text. <input checked="" type="checkbox"/> Zoning amendments or variances: Status: Rezoning completed with the City of Rosemount	<input type="checkbox"/> Environmental review: Status: Click or tap here to enter text. <input type="checkbox"/> Market or feasibility study: Status: Click or tap here to enter text.
If the activity that is to receive RIG funding will not be completed in 12 months, please explain why. (NOTE: The RIG program requires all RIG-funded activities to be completed within a 12-month period)	Click or tap here to enter text.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

REQUIRED ATTACHMENTS

1. City Resolution approving application.
2. Location map of Site. Include property boundaries, north arrow, and bar scale.
3. Photos of the Site's current conditions.
4. Proof of property ownership, e.g. tax statement, purchase agreement, closing statement, etc.
5. Current and proposed Site Plan.
6. Copies of environmental investigation reports, if available.
7. Letter or report showing economic benefits of redevelopment project.

**CITY OF ROSEMOUNT
DAKOTA COUNTY, MINNESOTA**

RESOLUTION 2025 – 45

**A RESOLUTION FOR SUPPORTING AN APPLICATION SUBMITTED TO THE DAKOTA
COUNTY COMMUNITY DEVELOPMENT AGENCY'S REDEVELOPMENT INCENTIVE
GRANT PROGRAM**

WHEREAS, the City of Rosemount has identified a proposed project within the City that meets the purposes and criteria of the Dakota County Community Development Agency's (CDA) Redevelopment Incentive Grant Program; and

WHEREAS, the City has established a Redevelopment Plan of which the proposed project is a component; and

WHEREAS, the City has the capability and capacity to ensure the proposed project be completed and administered within the guidelines of the Redevelopment Incentive Grant Program; and

WHEREAS, the City has the legal authority to apply for financial assistance; and

WHEREAS, the City supports the development of affordable housing and of CDA's mission to improve the lives of Dakota County residents through affordable housing and community development.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROSEMOUNT, MINNESOTA that the City Council approves the application for funding from the Dakota County Community Development Agency's Redevelopment Incentive Grant Program.

BE IT FURTHER RESOLVED, that if the Dakota County Community Development Agency approves its application, Logan Martin, the City Administrator, is hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project

ADOPTED this 15th day of April, 2025.

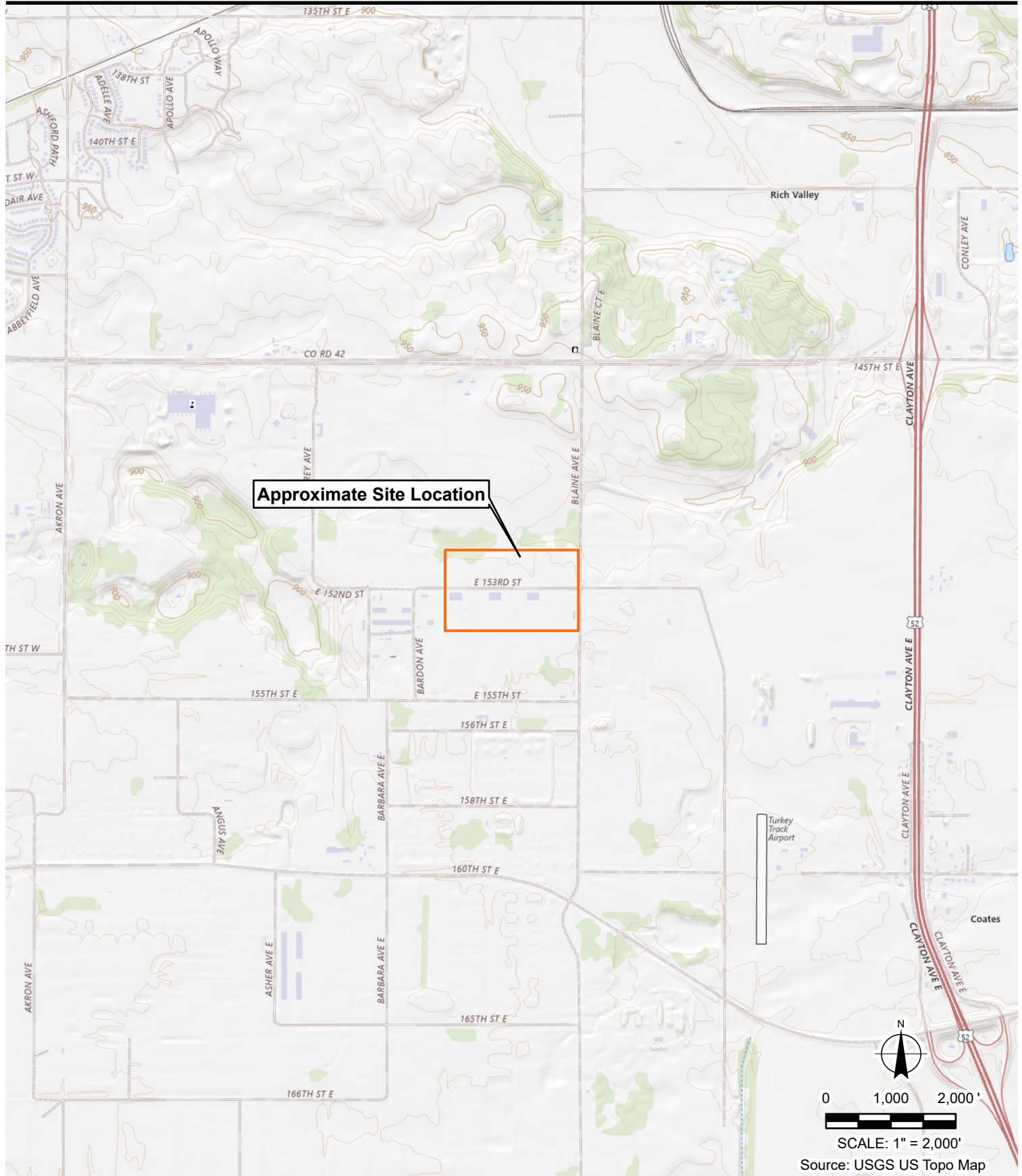


Jeffery D. Weisensel, Mayor

ATTEST:



Erin Fasbender, City Clerk



BRAUN
INTERTEC
The Science You Build On.

11001 Hampshire Avenue S
Minneapolis, MN 55438
952.995.2000
braunintertec.com

Project No:
B2407920.00

Drawing No:
Fig1_SiteLocation

Drawn By: MMH
Date Drawn: 10/23/2024
Checked By: WJ
Last Modified: 3/26/2025

Project Falcon

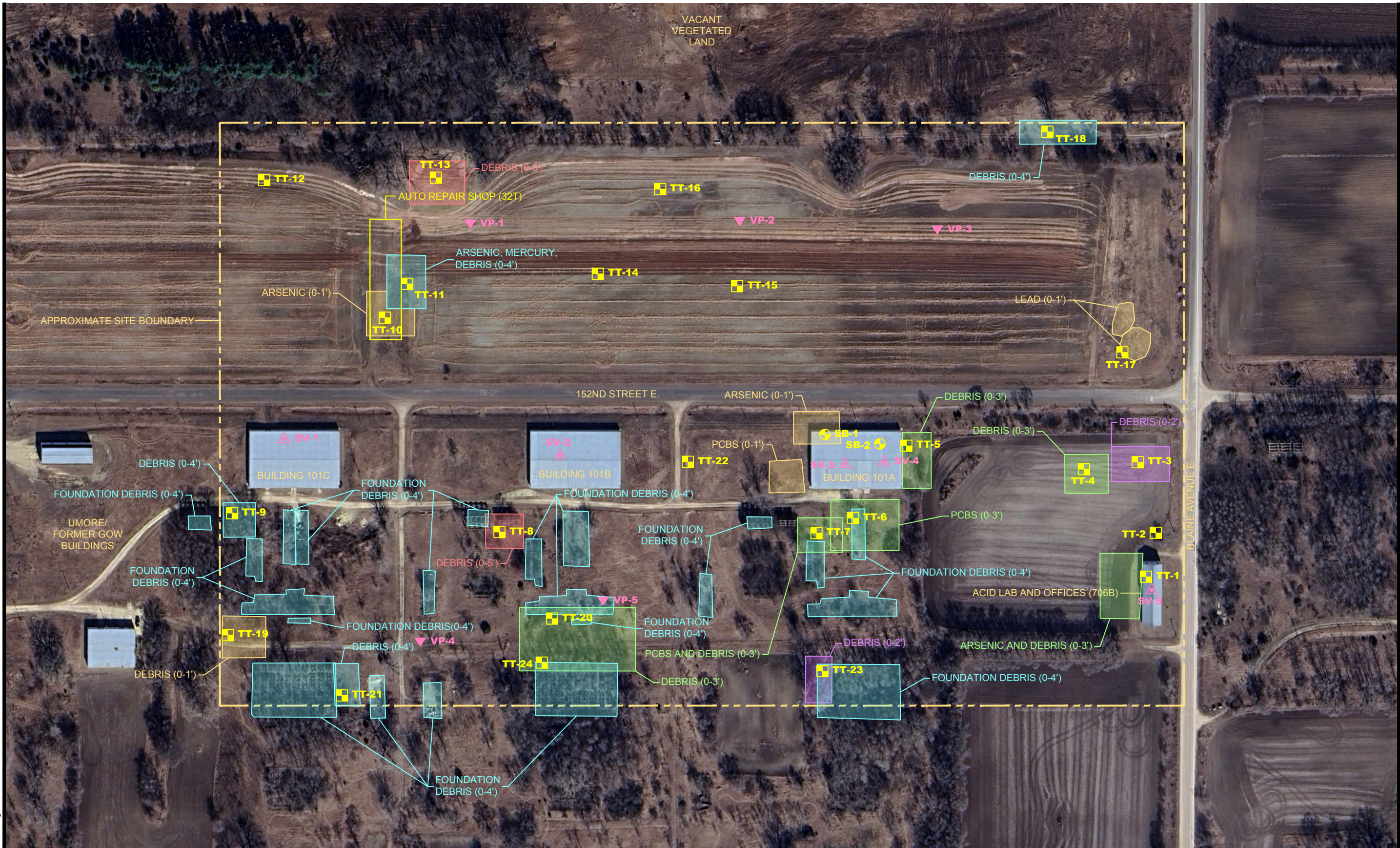
West of Blaine Avenue S. and 152nd Street

161 Rosemount, Minnesota

Site Location Map

Figure 1

F:\2024\B2407920_00\CAD\B2407920-00.dwg, 02 Soil Removal, 4/24/2025 9:54:48 AM



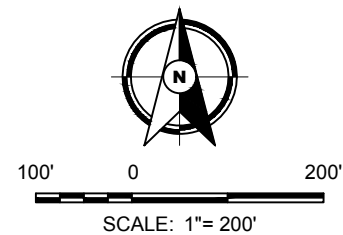
- DENOTES APPROXIMATE LOCATION OF STANDARD PENETRATION TEST BORING
- DENOTES APPROXIMATE LOCATION OF TEST PIT
- DENOTES APPROXIMATE LOCATION OF SOIL VAPOR SAMPLE
- DENOTES APPROXIMATE LOCATION OF SUB-SLAB VAPOR SAMPLE

- 1-FOOT EXCAVATION DEPTH
- 2-FOOT EXCAVATION DEPTH
- 3-FOOT EXCAVATION DEPTH
- 4-FOOT EXCAVATION DEPTH

NOTE: ESTIMATED TOTAL OF SOIL TO BE REMOVED IS APPROXIMATELY 21,000 CUBIC YARDS

INDICATED DEPTHS ARE FEET BELOW GROUND SURFACE

PCB = POLYCHLORINATED BIPHENYL



Drawing Information

Project No:
B2407920.02

Drawing No:
B2407920-00

Drawn By: MMH
Date Drawn: 4/21/25
Checked By: JC
Last Modified: 4/24/25

Project Information

Project Falcon

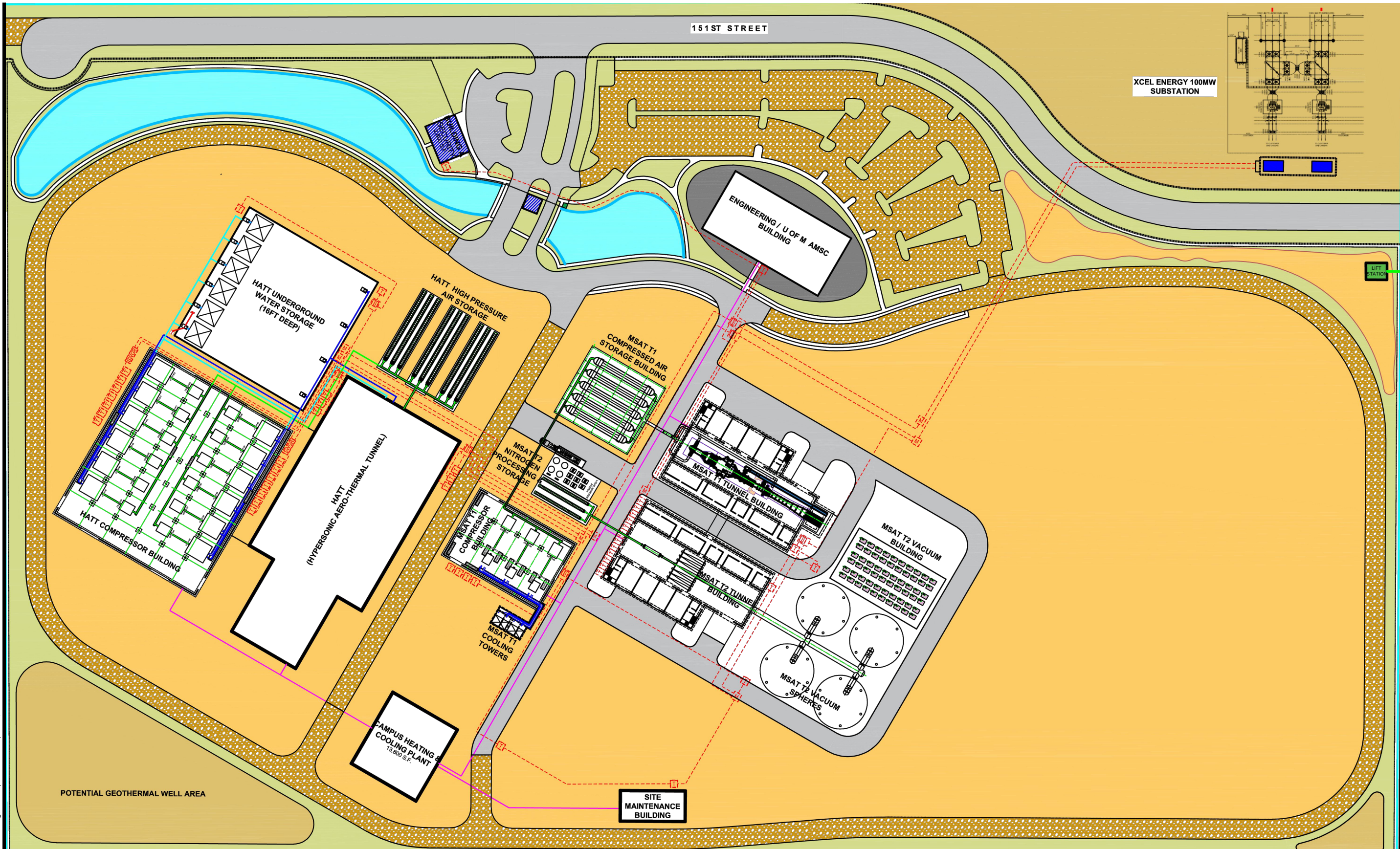
Along 152nd Street E.
and West of Blaine
Avenue E.

Rosemount, Minnesota

**Approximate
Extent of Soil
Removal Areas**

Figure 4

F:\2024\B2407920_00\CAD\B2407920-00.dwg, 02 Proposed Development, 4/24/2025 11:13:55 AM



Drawing Information

Project No:
B2407920.02

Drawing No:
B2407920-00

Drawn By: MMH
Date Drawn: 4/21/25
Checked By: JC
Last Modified: 4/24/25

Project Information

Project Falcon

Along 152nd Street E.
and West of Blaine
Avenue E.

Rosemount, Minnesota

**Proposed
Development**



UNIVERSITY OF MINNESOTA

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“**Agreement**”) is made and entered into on the date of last signature below (the “**Effective Date**”) by and between REGENTS OF THE UNIVERSITY OF MINNESOTA, a Minnesota constitutional corporation (“**University**”), and NORTH WIND TEST LLC, a Minnesota limited liability company (“**Buyer**”). University and Buyer are sometimes individually or collectively referred to herein as a “party” or the “parties.”

RECITALS

A. University is the owner of certain real property legally described on attached Exhibit A and depicted on Exhibit B consisting of approximately (but not less than) 60 gross acres located in the City of Rosemount, County of Dakota, State of Minnesota (the “**Real Property**”).

B. Buyer desires to purchase the Real Property, and University desires to sell the Real Property to Buyer, for light industrial development purposes in accordance with the terms and conditions of this Agreement.

AGREEMENT

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

1. Property to be Purchased; Reservation of Mineral Rights.

1.1 Subject to compliance with the terms and conditions of this Agreement, University shall sell and convey to Buyer and Buyer shall purchase from University the Real Property, together with all fixtures, improvements, easements, tenements, hereditaments, rights-of-way and appurtenances belonging thereto, subject to the Permitted Exceptions as defined in Section 3.2 (the “**Property**”).

1.2 The Property conveyance shall exclude minerals and mineral rights, which are reserved by University (the “**Reserved Rights**”); provided, however, University, as the owner of the Reserved Rights, shall not have any rights in or to the surface of the Property. Without limiting the generality of the foregoing, University, as the owner of the Reserved Rights, shall not have (i) any right of access to or entry upon the surface of the Property, (ii) any right to subside or cause any damage to any of the Surface Rights (as hereinafter defined), or (iii) any right to interfere with or otherwise adversely affect the use or enjoyment of Surface Rights, and in the exercise or use of Reserved Rights, University shall not cause or permit any noise, vibration, dirt, dust or nuisance that adversely affects the Surface Rights. As used herein, “**Surface Rights**” shall mean and include the surface of the Property and improvements constructed or made thereon, including but not limited to buildings, structures, basements, foundations, footings, pilings, drain tiling, water lines,

April 15, 2025

VIA EMAIL

Jim Bellomo
North Wind Test LLC
358 East Fillmore Avenue
Rosemount, MN 55348

RE: Approval of Response Action Plan/Construction Contingency Plan
Project Falcon, 60-Acres West of Blaine Avenue and 152nd Street East, Rosemount
MPCA Site ID: BF0002935
Billing ID: 6794
PIN: portion of 34-03500-01-014

Dear Jim Bellomo:

The Minnesota Pollution Control Agency (MPCA) staff in the Voluntary Investigation and Cleanup (VIC) Program has reviewed the Response Action Plan/Construction Contingency Plan (RAP/CCP) submitted for the Project Falcon site, located at the address referenced above and identified on Attachment B (the Site). The RAP/CCP dated March 31, 2025, was submitted on your behalf by Braun Intertec.

The Site consists of approximately 60 acres in the northern portion of parcel number 34-03500-01-014. The Site lies within the larger Umore Park property owned by the University of Minnesota (University). The Umore Park/former Gopher Ordnance Works (GOW) property is currently enrolled in the MPCA's Superfund Program under project IDs SR0000374 and SR0000331. Historically the Site was developed with farmsteads and used for agricultural purposes until 1942, when the Site was developed as part of GOW for the manufacture of smokeless gunpowder, oleum, and nitric acid for the World War II effort. The GOW's activities were limited since operations were discontinued in 1945 shortly after the facility's construction. The northern portion of the Site was the location of the GOW Temporary Shops Area that were used to support construction and operation activities (including auto repair and lead burner shops). The southern portion of the Site was developed with portions of the ABC Lines for the manufacture and processing of smokeless gun powder, a storage building, and an acid lab and office building. The ABC Line buildings were constructed by 1943 and were used for purified cotton nitrating, drying, and storage from November 1944 until September 1945.

The GOW was subsequently decommissioned by the United States government, and the land was deeded to the University in the late 1940s, for research, agriculture, and third-party tenant uses. The remaining buildings are the ABC Line buildings (101A, 101B and 101C), and acid lab and office building in the southern portion of the Site. The northern portion has been used as farmland since decommissioning of the GOW Temporary Shops Area. The ABC Line buildings have been leased by the University to various tenants, including US Transformer, which occupied Building 101A for the recycling of electrical transformers. US Transformer was added to the Environmental Protection Agency (EPA) National Priority List (NPL) in October 1984, as a part of the University of Minnesota Rosemount Research Center Superfund site (SR0000071). Remedial Investigations were conducted at the site starting in the mid-1980s, which detected elevated polychlorinated biphenyls (PCBs) just south and east of the building. The PCB contamination was widespread but shallow, being confined to the upper three feet of soil in the 101A Building area. Soil with PCBs greater than 10 parts per million (ppm) was excavated and disposed of off-site in the early 1990s. A 10-inch soil cap was installed over the residual PCB contamination. An Affidavit Concerning Real Property Contaminated with Hazardous Substances and a Declaration of Restrictions and Covenant filed with Dakota County on May 11, 2000, as document numbers 1690213 and 1690212, respectively. The site was deleted from the NPL in February 2001 and has since been inspected regularly by the EPA.

Subsurface investigations of the larger Umore Park site began by 2002 and were conducted by past owners and operators, and prospective owners with the MPCA oversight. Refer to the Umore Park website for a list of past environmental studies for the Umore Park/GOW area at <https://psre.umn.edu/Real-Estate/UMore-Park/Online-Environmental-Information-Repository>. A Remedial Investigation for the Umore Park site was completed by Barr Engineering in 2011, which identified elevated metals and PCBs in soil at the Site. Arsenic and mercury were detected at concentrations greater than their respective industrial soil reference value (SRV) in the former auto repair shop area. Lead was detected in soil greater than its industrial SRV near the former lead burner shop, and PCBs were detected at concentrations less than its industrial SRV in the US Transformer area.

The most recent subsurface investigation at the Site was completed by Braun Intertec (Braun) in February 2025 and included the collection of soil and soil vapor samples. Historical fill intermixed with debris was observed to five feet below ground surface (bgs) in multiple test pits and borings across the Site. The debris consisted of clay pipe, clay tile, treated wood, slag, clinkers, scrap metal, glass, white siding board, and concrete. Fifty-five soil samples were collected from 24 test trenches and two interior soil borings (Building 101A) and analyzed for a variety of contaminants including volatile organic compounds (VOCs), semi-VOCs (SVOCs), polynuclear aromatic hydrocarbons (PAHs), PCBs, Resource Conservation and Recovery Act (RCRA) metals, diesel range organics (DRO), gasoline range organics (GRO), and agricultural analytes (nitrate-nitrite, nitrogen as ammonia, and Total Kjeldahl Nitrogen [TKN]). Six samples were collected from buried debris and tested for asbestos containing material (ACM); two of the samples were confirmed ACM. Arsenic was identified at a concentration above its industrial SRV in one sample near the former auto repair shop. Lead, mercury, and PCBs were detected above typical background concentrations but less than their respective industrial SRV. One sample was analyzed for lead using the Toxicity Characteristic Leaching Procedure (TCLP); lead was not detected at a concentration exceeding the TCLP regulatory limit. A minor amount of 3-nitroaniline, a derivative of aniline (stabilizer in smokeless gunpowder), was detected in one sample from the B Line area. There is no regulatory criteria for 3-Nitroaniline. The concentrations of PAHs, expressed as the benzo(a)pyrene equivalent, were within the range of typical background concentrations. No VOCs were detected in the soil samples. Groundwater was not encountered during the investigation.

Five sub-slab soil vapor samples and five exterior soil vapor samples were collected at the Site in February 2025 (heating season). Non-petroleum VOCs, including tetrachloroethene (PCE) and trichloroethene (TCE), were detected in soil vapor at concentrations less than their respective industrial intrusion screening values (ISV). A second soil vapor sampling event, conducted during the non-heating season, is necessary prior to making a building mitigation decision for the proposed buildings.

North Wind Test LLC intends to demolish the existing Site buildings and redevelop the Site with a commercial aerospace complex. The complex will include several buildings for hypersonic testing, an electrical substation, new roads, stormwater ponds, and related infrastructure. Development will be completed in phases, starting with infrastructure, stormwater ponds, and buildings in the central area of the Site. The RAP/CCP proposes proper management and disposal of contaminated soil encountered during construction activities; stabilization of lead-impacted soil in the former lead burner hot spot; and creation of soil buffers meeting industrial criteria in greenspace areas (four feet) and below pavement and building (two feet). Note that the MPCA is not requiring demolition of the existing buildings, structures, or infrastructure at the Site.

The RAP/CCP is approved, subject to the following conditions/clarifications:

1. This approval excludes contingency/response actions related to petroleum compounds and agricultural chemicals at the Site. Technical assistance for petroleum compounds or agricultural chemicals can be requested from the MPCA's Petroleum Brownfield Program or the Minnesota Department of Agriculture's Voluntary Investigation and Cleanup Program (AgVIC).
2. The RAP Addendums shall be submitted prior to earthwork in future expansion areas at the Site.
3. A second seasonal soil vapor sampling event shall be completed at the Site, in accordance with the MPCA's Best Management Practices for Vapor Investigation and Building Mitigation Decisions. If soil vapor contaminants are detected at concentrations greater than the MPCA action levels, an active vapor mitigation system shall be installed in the Site building(s), in accordance with an MPCA-approved Response Action Plan, and an environmental covenant will be required to document the affirmative obligation to operate and maintain the vapor mitigation system.
4. Earthwork activities within the PCB-impacted area should be minimized so that PCB impacted soil is not spread outside of the existing impacted area.
5. The lead impacted soil in the former lead burner area shall be stabilized as needed and disposed of off-site in a permitted landfill.
6. The proposed infiltration pond areas shall be over-excavated to remove any contamination/debris encountered during construction activities.
7. Given the widespread debris (including ACM) and historic foundations and infrastructure remaining at the Site, a field technician with asbestos inspector credentials shall be onsite during all earthwork activities.
8. Backfill within utility trenches at the Site shall be free of VOCs/elevated organic vapors and meet the MPCA's industrial SRVs.
9. Beneficial reuse of solid waste falls under the purview of the MPCA's Solid Waste staff. Reuse of concrete, bituminous debris, and other solid waste may be covered by a [Standing Beneficial Use Determination](#). Please coordinate with the MPCA's Solid Waste staff to determine if a [Case Specific Beneficial Use Determination](#) is necessary.
10. Confirmation soil samples shall be collected for laboratory analyses of the contaminants of concern from the base and sidewalls of excavations in areas with known soil impacts or where field observations indicate contamination may exist. Please refer to MPCA sampling guidance for the recommended number of confirmation samples based on the size of the excavation.

11. Imported soil and excess fill targeted for off-site reuse shall be from a native source and/or meet the MPCA's criteria for [unregulated fill](#). Soils that do not meet unregulated fill criteria may not be used at the discretion of the contractor or other project personnel.
12. Any contaminated soils removed from the Site must be treated or disposed of in a method approved by the MPCA. Contaminated soils transported to an approved landfill must comply with all state and local permits. Please include all transportation and handling manifests for such soils in the final implementation report.
13. This RAP/CCP approval is contingent on the applicant obtaining all other required state, federal, and local government permits.
14. The MPCA Brownfield Program staff does not review or approve dewatering actions, including the testing, discharge and/or treatment of groundwater, stormwater, or any other dewatering action.
15. MPCA Brownfield Program staff does not review or approve geothermal well systems. Permits for installation of geothermal wells can be requested from the Minnesota Department of Health (MDH). Installation and construction of geothermal wells shall comply with MN Rules Ch. 4725 and other MDH requirements.
16. North Wind Test LLC shall record, at its own expense, in the office of the County Recorder or Registrar of Titles, whichever is appropriate, in and for Dakota County, an Environmental Covenant approved by the MPCA as provided in the Uniform Environmental Covenants Act, Minn. Stat. ch. 114E (Supp. 2007) (UECA). Directions and a template for the [Environmental Covenant and Easement](#) can be found on the MPCA's webpage. A copy of the proposed Environmental Covenant language shall be submitted to the MPCA staff for review and approval along with the pending Implementation Report and North Wind Test LLC shall file the Environmental Covenant within 30 days after receipt of MPCA approval. North Wind Test LLC shall submit a copy of the Environmental Covenant as recorded to the MPCA within 30 days after the Environmental Covenant is officially recorded. North Wind Test LLC shall provide notice of the Environmental Covenant to those parties to whom notice is required under UECA.

An implementation report describing the completed response actions, sampling results, soil management and disposal, and imported soils shall be prepared and submitted to the MPCA. If the implementation report will not be submitted within one year of the date of this letter, please notify the MPCA project staff of the status of the project.

This letter is subject to the disclaimers found in Attachment A. If you have any questions about this letter, please contact Rebecca Ryser, Project Manager, at 651-757-2015 or by email at rebecca.ryser@state.mn.us.

Sincerely,



This document has been electronically signed.

Rebecca Ryser
Hydrologist
Remediation Division

RR:mh

Attachment

cc: See next page.

Jim Bellomo
Page 5
April 15, 2025

cc: Erin Fasbender, City of Rosemount (electronic) (w/attachment)
Nikki Stewart, Dakota County (electronic) (w/attachment)
Linnea Weum, University of Minnesota (electronic) (w/attachment)
Giang-Van Nguyen, US EPA (electronic) (w/attachment)
Mark Keefer, Braun Intertec (electronic) (w/attachment)
Brigitte Hay, MPCA Superfund (electronic) (w/attachment)

Disclaimers

Project Falcon

MPCA Site ID: BF0002935

1. Reservation of authorities

The Minnesota Pollution Control Agency (MPCA) Commissioner reserves the authority to take any appropriate actions with respect to any release, threatened release, or other conditions at the Site. The MPCA Commissioner also reserves the authority to take such actions if the voluntary party does not proceed in the manner described in this letter or if actions taken or omitted by the voluntary party with respect to the Site contribute to any release or threatened release or create an imminent and substantial danger to public health and welfare.

2. No MPCA assumption of liability

The MPCA, its Commissioner, and staff do not assume any liability for any release, threatened release or other conditions at the Site or for any actions taken or omitted by the voluntary party with regard to the release, threatened release, or other conditions at the Site, whether the actions taken or omitted are in accordance with this letter or otherwise.

3. Letter based on current information

All statements, conclusions, and representations in this letter are based upon information known to the MPCA Commissioner and staff at the time this letter was issued. The MPCA Commissioner and staff reserve the authority to modify or rescind any such statement, conclusion or representation and to take any appropriate action under the Commissioner's authority if the MPCA Commissioner or staff acquires information after issuance of this letter that provides a basis for such modification or action.

4. Disclaimer regarding use or development of the property

The MPCA, its Commissioner, and staff do not warrant that the Site is suitable or appropriate for any particular use.

5. Disclaimer regarding investigative or response action at the property

Nothing in this letter is intended to authorize any response action under Minn. Stat. § 115B.17, subd. 12.

6. This approval does not supplant any applicable state or local stormwater permits, ordinances, or other regulatory documents.

April 15, 2025

VIA EMAIL

Jim Bellomo
North Wind Test LLC
358 East Fillmore Avenue
Rosemount, MN 55348

RE: No Association Determination
Project Falcon, 60-Acres West of Blaine Avenue and 152nd Street East, Rosemount
MPCA Site ID: BF0002935
Billing ID: 6794
PIN: portion of 34-03500-01-014

Dear Jim Bellomo:

This letter is in response to the request from Mark Keefer of Braun Intertec for a determination under Minn. Stat. section 115B.178 that certain actions proposed to be taken by North Wind Test LLC at the Project Falcon site, located at the address referenced above and identified on Attachment B (the Site), will not constitute conduct associating North Wind Test LLC with the release or threatened release of hazardous substances, pollutants, or contaminants at the Site for the purpose of Minn. Stat. section 115B.03, subd. 3(a)(4).

The Minnesota Pollution Control Agency (MPCA) staff in the Voluntary Investigation and Cleanup (VIC) Program has reviewed the documents submitted for the Site. The Site consists of approximately 60 acres in the northern portion of parcel number 34-03500-01-014. The Site lies within the larger Umore Park property owned by the University of Minnesota (University). The Umore Park/former Gopher Ordnance Works (GOW) property is currently enrolled in the MPCA's Superfund Program under project IDs SR0000374 and SR0000331. Historically the Site was developed with farmsteads and used for agricultural purposes until 1942, when the Site was developed as part of GOW for the manufacture of smokeless gunpowder, oleum, and nitric acid for the World War II effort. The GOW's activities were limited since operations were discontinued in 1945, shortly after the facility's construction. The northern portion of the Site was the location of the GOW Temporary Shops Area that were used to support construction and operation activities (including auto repair and lead burner shops). The southern portion of the Site was developed with portions of the ABC Lines for the manufacture and processing of smokeless gun powder, a storage building, and an acid lab and office building. The ABC Line buildings were constructed by 1943 and were used for purified cotton nitrating, drying, and storage from November 1944 until September 1945.

The GOW was subsequently decommissioned by the United States government, and the land was deeded to the University in the late 1940s for research, agriculture, and third-party tenant uses. The remaining buildings are the ABC Line buildings (101A, 101B and 101C), and acid lab and office building in the southern portion of the Site. The northern portion has been used as farmland since decommissioning of the GOW Temporary Shops Area. The ABC Line buildings have been leased by the University to various tenants, including US Transformer, which occupied Building 101A for the recycling of electrical transformers. US Transformer was added to the Environmental Protection Agency (EPA) National Priority List (NPL) in October 1984, as a part of the University of Minnesota Rosemount Research Center Superfund site (SR0000071). Remedial Investigations were conducted at the site starting in the mid-1980s, which detected elevated polychlorinated biphenyls (PCBs) just south and east of the building. The PCB contamination was widespread but shallow, being confined to the upper three feet of soil in the 101A Building area. Soil with PCBs greater than 10 parts per million (ppm) was excavated and disposed of off-site in the early 1990s. A 10-inch soil cap was installed over the residual PCB contamination. An Affidavit Concerning Real Property Contaminated with Hazardous Substances and a Declaration of Restrictions and Covenant filed with Dakota County on May 11, 2000, as document numbers 1690213 and 1690212, respectively. The site was deleted from the NPL in February 2001.

Subsurface investigations of the larger Umore Park site began by 2002 and were conducted by past owners and operators, and prospective owners with the MPCA oversight. Refer to the Umore Park website for a list of past environmental studies for the Umore Park/GOW area at <https://psre.umn.edu/Real-Estate/UMore-Park/Online-Environmental-Information-Repository>. A Remedial Investigation for the Umore Park site was completed by Barr Engineering in 2011, which identified elevated metals and PCBs in soil at the Site. Arsenic and mercury were detected at concentrations greater than their respective industrial soil reference value (SRV) in the former auto repair shop area. Lead was detected in soil greater than its industrial SRV near the former lead burner shop, and PCBs were detected at concentrations less than its industrial SRV in the US Transformer area.

The most recent subsurface investigation at the Site was completed by Braun Intertec (Braun) in February 2025 and included the collection of soil and soil vapor samples. Historical fill intermixed with debris was observed to five feet below ground surface (bgs) in multiple test pits and borings across the Site. The debris consisted of clay pipe, clay tile, treated wood, slag, clinkers, scrap metal, glass, white siding board, and concrete. Fifty-five soil samples were collected from 24 test trenches and two interior soil borings (Building 101A) and analyzed for a variety of contaminants including volatile organic compounds (VOCs), semi-VOCs (SVOCs), polynuclear aromatic hydrocarbons (PAHs), PCBs, Resource Conservation and Recovery Act (RCRA) metals, diesel range organics (DRO), gasoline range organics (GRO), and agricultural analytes (nitrate-nitrite, nitrogen as ammonia, and Total Kjeldahl Nitrogen [TKN]). Six samples were collected from buried debris and tested for asbestos containing material (ACM); two of the samples were confirmed ACM. Arsenic was identified at a concentration above its industrial SRV in one sample near the former auto repair shop. Lead, mercury, and PCBs were detected above typical background concentrations but less than their respective industrial SRV. One sample was analyzed for lead using the Toxicity Characteristic Leaching Procedure (TCLP); lead was not detected at a concentration exceeding the TCLP regulatory limit. A minor amount of 3-nitroaniline, a derivative of aniline (stabilizer in smokeless gunpowder), was detected in one sample from the B Line area. There are no regulatory criteria for 3-Nitroaniline. The concentrations of PAHs, expressed as the benzo(a)pyrene equivalent, were within the range of typical background concentrations. No VOCs were detected in the soil samples. Groundwater was not encountered during the investigation.

Five sub-slab soil vapor samples and five exterior soil vapor samples were collected at the Site in February 2025 (heating season). Non-petroleum VOCs, including tetrachloroethene (PCE) and trichloroethene (TCE), were detected in soil vapor at concentrations less than their respective industrial intrusion screening values (ISV). A second soil vapor sampling event, conducted during the non-heating season, is necessary prior to making a building mitigation decision for the proposed buildings.

North Wind Test LLC intends to demolish the existing Site buildings and redevelop the Site with a commercial aerospace complex. The complex will include several buildings for hypersonic testing, an electrical substation, new roads, stormwater ponds, and related infrastructure.

For the purpose of this letter, the identified release consists of arsenic, lead, mercury, PCBs, 3-nitroaniline, and ACM in soil, and PCE and TCE in soil vapor (Identified Release). This letter does not address petroleum-related compounds or agricultural chemicals. Technical assistance for petroleum-related compounds or agricultural chemicals may be obtained through the MPCA's Petroleum Brownfields Program or the Minnesota Department of Agriculture's Voluntary Investigation and Cleanup Program (AgVIC).

Based upon a review of the information provided to the MPCA VIC Program, and subject to the conditions set forth in this letter, a determination is hereby made pursuant to Minn. Stat. section 115B.178, subd. 1 that the proposed actions (Proposed Actions) listed below will not associate North Wind Test LLC with the Identified Release for the purpose of Minn. Stat. section 115B.03, subd. 3(a)(4). This determination applies only to the following Proposed Actions:

- Purchase of the Site
- Demolition of the existing Site buildings, subject to proper abatement of hazardous building materials
- Redevelopment of the Site with a commercial aerospace complex and related infrastructure, in accordance with an MPCA-approved Response Action Plan/Construction Contingency Plan
- Operation of a commercial aerospace complex at the Site, provided that the business does not engage in the business of generating, transporting, storing, treating, or disposing of the compounds, or breakdown products of the compounds, comprising the Identified Release
- Operation and maintenance of the Site building, grounds, and related infrastructure

This determination is made in accordance with Minn. Stat. section 115B.178, subd. 1, and is subject to the following conditions:

1. The Proposed Actions shall be carried out as described herein.
2. North Wind Test LLC shall cooperate with the MPCA, its employees, contractors, and others acting at the MPCA's direction, in the event that the MPCA takes, or directs others to take, response actions at the Site to address the Identified Release or any other as yet unidentified release or threatened release of a hazardous substance, pollutant, or contaminant, including, but not limited to, granting access to the Site so that response actions can be taken.
3. North Wind Test LLC shall avoid actions that contribute to the Identified Release or that interfere with response actions required under any MPCA-approved response action plan to address the Identified Release.

4. A second seasonal soil vapor sampling event shall be completed at the Site, in accordance with the MPCA's Best Management Practices for Vapor Investigation and Building Mitigation Decisions. If soil vapor contaminants are detected at concentrations greater than MPCA action levels, an active vapor mitigation system shall be installed in the Site building(s), in accordance with an MPCA-approved Response Action Plan, and an environmental covenant will be required to document the affirmative obligation to operate and maintain the vapor mitigation system.

Pursuant to Minn. Stat. section 115B.178, subd.1, when North Wind Test LLC takes the Proposed Actions in accordance with the determination in this letter, subject to the conditions stated herein, the Proposed Actions will not associate North Wind Test LLC with the Identified Release for the purpose of Minn. Stat. section 115B.03, subd. 3(a)(4).

The determination made in this letter applies to North Wind Test LLC's successors and assigns if the successors and assigns: 1) are not otherwise responsible for the Identified Release at the Site; 2) do not engage in activities with respect to the Identified Release which are substantially different from the activities which North Wind Test LLC proposes to take, as described herein; and 3) comply with the conditions set forth in this letter.

Please be advised that the determination made in this letter is subject to the disclaimers found in Attachment A and is contingent on compliance with the terms and conditions set forth herein, including completion of the second seasonal soil vapor sampling event and any required follow-up actions, based on the pending data.

If you have any questions about the contents of this letter, please contact Rebecca Ryser, Project Manager, at 651-757-2015 or by email at rebecca.ryser@state.mn.us.

Sincerely,



This document has been electronically signed.

Amy K. Hadiaris, P.G.

Supervisor

Voluntary Investigation and Cleanup Unit

Remediation Division

AKH/RR:mh

Attachment

cc: Erin Fasbender, City of Rosemount (electronic) (w/attachment)
Nikki Stewart, Dakota County (electronic) (attachment)
Linnea Weum, University of Minnesota (electronic) (w/attachment)
Mark Keefer, Braun Intertec (electronic) (w/attachment)
Brigitte Hay, MPCA Superfund (electronic) (w/attachment)

Disclaimers
Project Falcon
MPCA Site ID: BF0002935

1. Reservation of authorities

The Minnesota Pollution Control Agency (MPCA) Commissioner reserves the authority to take any appropriate actions with respect to any release, threatened release, or other conditions at the Site. The MPCA Commissioner also reserves the authority to take such actions if the voluntary party does not proceed in the manner described in this letter or if actions taken or omitted by the voluntary party with respect to the Site contribute to any release or threatened release or create an imminent and substantial danger to public health and welfare.

2. No MPCA assumption of liability

The MPCA, its Commissioner, and staff do not assume any liability for any release, threatened release or other conditions at the Site or for any actions taken or omitted by the voluntary party with regard to the release, threatened release, or other conditions at the Site, whether the actions taken or omitted are in accordance with this letter or otherwise.

3. Letter based on current information

All statements, conclusions, and representations in this letter are based upon information known to the MPCA Commissioner and staff at the time this letter was issued. The MPCA Commissioner and staff reserve the authority to modify or rescind any such statement, conclusion, or representation and to take any appropriate action under the Commissioner's authority if the MPCA Commissioner or staff acquires information after issuance of this letter that provides a basis for such modification or action.

4. Disclaimer regarding use or development of the property

The MPCA, its Commissioner, and staff do not warrant that the Site is suitable or appropriate for any particular use.

5. Disclaimer regarding investigative or response action at the property

Nothing in this letter is intended to authorize any response action under Minn. Stat. section 115B.17, subd. 12.

6. This approval does not supplant any applicable state or local stormwater permits, ordinances, or other regulatory documents.



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 6C

DEPARTMENT: Community and Economic Development

FILE TYPE: Regular - Action

TITLE

Approval Of Contingent Redevelopment Incentive Grant Award For The City Of South St. Paul

PURPOSE/ACTION REQUESTED

Approval of \$250,000 Redevelopment Incentive Grant (RIG) project award for the City of South St. Paul.

SUMMARY

The Dakota County CDA RIG program was created in 2006 to provide a flexible funding resource to Dakota County cities for the redevelopment of blighted and under-utilized areas. The RIG program supports three types of redevelopment grants: planning, environmental investigation, and project.

The City of South St. Paul (City) is requesting \$250,000 for the redevelopment of approximately 40 acres of the Wakota Crossing area generally located northeast of Hardman Avenue S. and Malden Street (Site). The Site owner, the Danner Family Limited Partnership, currently operates the Site as a truck maintenance shop with a contractor storage yard, rock crushing yard, and concrete plant. There are underground storage tanks that need to be removed, and a portion of the site was once a municipal sewage treatment plant that has been abandoned. The owner is proposing to redevelop the property and construct three new industrial buildings, stormwater treatment systems, upgraded utilities, and renovation of the existing filling station and maintenance garage.

The redevelopment will be conducted in three phases, one phase for each new building. The first phase will include construction of a stormwater treatment area and an approximately 79,200 sq. ft. building as well as the installation of a vapor mitigation system for the existing maintenance garage/office building and the likely removal of five underground storage tanks associated with the filling station. The City is also going to extend Verderosa Avenue to access the Wakota Crossing area. The RIG funds will be used for removal of contaminated soils, the installation of a vapor mitigation system, and geotechnical soil corrections for the first phase of development. Total redevelopment costs for the first phase of development are estimated to be over \$11.8 million. The projected appraised value of the Site after redevelopment in 2027 is \$9.4 million, with estimated annual property taxes of \$187,060. The redevelopment is expected to create 82 new jobs and retain 15 jobs that pay over \$15 per hour.

The RIG program provides a maximum of \$250,000 for redevelopment project grants. Redevelopment projects must have a minimum leverage of 2:1 (\$2 dollar of non-RIG funding for every \$1 of RIG funding), City Council approval, City support for the mission of the CDA, and the application must demonstrate other funding resources are used, the project can be completed in 12 months the project has a defined economic benefit either through jobs or increased tax base, and/or the project improves or preserves the environment. The proposed Project meets the eligibility criteria.

Since the program began in 2006, the CDA Board has awarded over \$14.8 million to 71 redevelopment projects, 30 planning activities, and six environmental investigation activities. This includes \$2,322,419 awarded to the City of South St. Paul.

RECOMMENDATION

CDA staff recommends awarding the City of South St. Paul up to \$250,000 in RIG funds for eligible activities related to the redevelopment of the Danner Family Partnership property as described in the City's application. The RIG award will be contingent on the applicant meeting all program guidelines, grant conditions, and entering into a grant agreement with the CDA.

EXPLANATION OF FISCAL/FTE IMPACTS

The CDA's remaining budget for RIG is \$700,023 (\$400,000 from the CDA and \$300,023 from Dakota County). If approved by the Board, \$125,000 of funding for this grant will come from the CDA's allocation of RIG funding, and \$125,000 will come from the County's allocation.

☐ None ☐ Current budget ☐ Amendment Requested ☐ Other

RESOLUTION

WHEREAS, the Dakota County Community Development Agency (CDA) established a Redevelopment Incentive Grant (RIG) program in 2007 to assist Dakota County cities with the redevelopment of blighted and under-utilized areas; and

WHEREAS, to date, the program has awarded over \$14.8 million to 71 redevelopment projects, 30 planning activities, and six environmental investigation activities; and

WHEREAS, of the total awards, \$2,322,419 has been granted to the City of South St. Paul (the City); and

WHEREAS, the CDA has \$400,000 of remaining available funds in its Fiscal Year Ending 2025 budget and Dakota County, through its Environmental Resources Department, has an additional \$300,023 of remaining available funds for RIG projects that require environmental remediation; and

WHEREAS, Dakota County cities can apply to receive up to \$250,000 per redevelopment project grant (one per local government) per fiscal year; and

WHEREAS, the City submitted an application requesting \$250,000 for removal of contaminated soil, installation of a vapor mitigation system, and geotechnical soil corrections at an approximately 40-acre site generally located northeast of Hardman Avenue S. and Malden Street; and

WHEREAS, the City's application meets the eligibility criteria to receive full funding as listed in the RIG Program Policy and Procedures Guide.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the City of South St. Paul is awarded a RIG project grant up to \$250,000 contingent upon the grantee meeting program guidelines and entering into a grant agreement with the CDA, in form and content acceptable to the Executive Director of the CDA.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment A: South St. Paul RIG Project Application

CONTACT

Department Head: Lisa Alfson, Director of Community and Economic Development

Author: Margaret Dykes, Assistant Director of Community and Economic Development



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

I. APPLICANT INFORMATION

Applicant	Organization: City of South St. Paul Contact Name: Monika Miller Address: 125 Third Avenue North, South St. Paul, MN 55075 Phone Number: 651.554.3273 Email: mmann@southstpaul.org Authorized representative for execution of grant agreement and contract(s): Name: James P. Francis Title: Mayor
Project Request	Name of Project: Wakota Crossing Phase 1 Amount of RIG funding request: \$ 250,000 Total redevelopment costs: \$ 11,849,307.89

II. AREA OR SITE CONDITIONS

General location of Area (Property ID and/or Address):	843 Hardman Avenue – PIDs: 36-83200-01-020 and 36-83200-01-010 (part)
Legal Description of Site:	Lot 2 Block 1 and part of Lot 1 Block 1, Wakota Addition
Site Size (acres):	13 acres (Future Phases – approx. add'l 40 acres)
Number of Parcels:	2
Number of buildings on site:	1
Current Site Owner:	Danner Family Limited Partnership
Current appraised or assessed value of the Project Area properties:	\$3,170,400
Current property taxes of the Project Area properties	\$61,908

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

III. REDEVELOPMENT PROJECT INFORMATION

<p>Describe the city's goals and need for the Project including anticipated businesses, housing units, and other proposed components. Please explain the public benefit of the Project.</p>	<p>According to the South St. Paul 2040 Comprehensive Plan, the Interstate 494 Corridor, in which the Wakota Crossing redevelopment is located, was identified as an "important gateway to the community" that offers the unique potential to "showcase the high quality of redevelopment efforts in the area". Properties adjacent to the I-494 and the Mississippi River, which are the most visible from surrounding areas, are considered especially important to the perception of the South St. Paul. The redevelopment of the Wakota Crossing Site from a rock crushing yard into an office/industrial property was specifically called out in the plan (the "Danner Site") as a cornerstone in this effort to improve the image of the city as viewed from the corridor and the larger region. The City's Economic Development Strategy identifies that attracting strong, growing and new businesses to the City is a principal goal of the City, as is leveraging and expanding the City's redevelopment "toolbox". The public benefits of this project will be the significant expansion of local property tax base, mitigation of blighting conditions, improvement to surface water quality, reduced risks to public health and safety through environmental mitigation, the creation of new family-supporting jobs, and the ability to foster additional light industrial growth with the extension of Verderosa Avenue.</p>
<p>Provide a brief history of the site including previous uses, activities, prior or existing contamination, and other attempts at redevelopment</p>	<p>The Site consisted of vacant land from the mid-1930s until at least the 1950s. According to historic records and reviewed aerial photographs, the former South St. Paul dump appears to have been located on the southwest portion of the Site from the 1960s through 1970s. From the mid-1960s to mid-1990s, a wastewater treatment pond was present on the eastern portion of the Site, though it was in operation only until the 1970s. In 1990, the existing one-story 19,324-square foot service garage and filling station were constructed, and the remainder of the Site was used as a contractor storage yard, rock crushing yard, and concrete plant with scale operations and vacant land. Materials managed at the truck maintenance shop and office building included oil, lubricants, solvents, and cleaning chemicals in various quantities. Large quantities of fill soil, concrete, and rock were managed</p>

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

	<p>as part of the aggregate, crushing, and concrete operations at the Site. In 1998, the City of South St. Paul sold the eastern portion of the Site to Danner Inc. and the sewage treatment pond on the eastern portion of the Site was excavated to bedrock and backfilled for Site operations.</p>
<p>Describe the Project including the type of redevelopment that will occur, how the Project will improve site conditions, how the Project will improve economic opportunity in the community.</p>	<p>The proposed redevelopment consists of the construction of 3 slab-on-grade buildings, associated paved parking and utility infrastructure, and 2 stormwater treatment systems as well as the renovation of the existing filling station and maintenance garage. Additionally, the City is planning to complete an expansion of Verderosa Ave to run southward towards the Site and then westward across the Site and connect to Hardman Ave S. The redevelopment will be conducted in 3 phases, one for each proposed building. The first phase will include construction of the western stormwater treatment area (37,177 sq ft) and the westernmost building as well as the installation of a vapor mitigation system (VMS) for the existing maintenance garage/office building and the likely removal of the 5 underground storage tanks (USTs) associated with the filling station. The vision for the proposed building is an approximately 79,200-sq-ft precast Class A Industrial Warehouse building with 32-foot ceilings to be built out and customized for a variety of commercial or light industrial tenants. Paved docks, trailer and automobile parking stalls, and drive areas are planned for the space surrounding the building. The removal of the USTs and installation of the VMS in the existing building will allow for a potential new tenant to use the renovated property as a light vehicle maintenance garage with an outdoor staging area for equipment, materials, and traffic devices. The final Site use is intended to be flexible and accommodating to potential business including and not limited to technology, trucking logistics, manufacturing, industrial warehouse/distribution centers, and general office space. The expansion of Verderosa Ave is planned to be constructed in 2 phases, with the first phase consisting of approximately 595 feet of linear feet running west to east from Hardman Ave S across the Site. This portion is planned to occur concurrently with the first phase of the Wakota Crossing redevelopment.</p>

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

Describe the specific components or activities that are part of the Project, e.g. soil remediation, removal of obsolete structures, creation of new jobs, creation of new housing, etc.	Soil remediation, installation of intrinsically safe vapor mitigation systems for existing and proposed building, creation of new jobs, expansion of property tax base, extension of new public street and utilities to unlock additional 40+ acres for industrial development
What is the end use of the Project site? Please be specific.	Office and warehouse facilities for small- medium-sized businesses
After redevelopment is completed, will properties in the Plan Area be publicly or privately owned?	<input type="checkbox"/> Publicly owned <input checked="" type="checkbox"/> Privately owned
Is demolition of slum or blighted buildings or other structures an activity of the Project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please describe.	Click or tap here to enter text.
Describe how the Project will make more efficient use of the site.	The project is an infill project that will add additional density to this underutilized portion of the City. Currently, a single 19,000 square foot building occupies the approximately 50-acre Wakota Crossing development area. Upon completion of all future phases, as much as 500,000 square feet of industrial development is envisioned for the area. A new road connection, with public utilities is planned to serve this new industrial area. Currently, there is no stormwater management taking place within the site. All development will include detailed stormwater management planning and the installation of stormwater management features to efficiently mitigate the impacts of uncontrolled runoff to adjacent streets and the Mississippi River.
Post-redevelopment Site Owner(s): <u><i>If end user has committed, attach documentation of commitment.</i></u>	Danner Family Limited Partnership
Identify any other Project partners such as developers, consultants, and regulating/permitting agencies	Braun Intertec (Geotech and Environmental), Kimley-Horn (Site and Civil), CBRE (Real Estate and Leasing), US Department of Housing and Urban Development (Economic Development Initiative Grant – Verderosa Extension), Army Corps of Engineers (Levee issues)

IV. ELIGIBLE ACTIVITIES

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

- Please check all activities that apply, briefly describe the activity, and provide the dollar amount requested for the activity. Please see the “**Redevelopment Incentive Grant Policy and Procedures Guide**” for a description of the eligible activities.
- Please provide any documents that support the need for the RIG funds, e.g. development plans, site plans, environmental documentation, etc.

<u>Eligible Activity</u>		<u>Description</u>	<u>RIG Funding Requested</u>
<input type="checkbox"/>	Acquisition	Click or tap here to enter text.	\$Click or tap here to enter text.
<input type="checkbox"/>	Relocation Payments	Click or tap here to enter text.	\$Click or tap here to enter text.
<input checked="" type="checkbox"/>	Clearance and Demolition	Demolition of existing retail fuel canopy	\$0
<input checked="" type="checkbox"/>	Environmental Investigation	Phase 1/Phase 2/RAP completed	\$0
<input checked="" type="checkbox"/>	Environmental Remediation	Excavation, transport and disposal of contaminated soils, installation of intrinsically safe vapor mitigation system for existing and proposed building	\$125,000
<input checked="" type="checkbox"/>	Necessary Public Infrastructure	Extension of Verderosa Avenue, including water/sewer/storm infrastructure	\$0
<input checked="" type="checkbox"/>	Geotechnical Soil Corrections	Ground improvement system to support foundations/floor slabs	\$125,000

V. ACQUISITION AND RELOCATION ACTIVITIES

If the project includes property acquisition, clearance and/or construction activities, describe how owners, tenants, and businesses will be temporarily or permanently relocated.	Not applicable
When has/will the acquisition be completed?	Not applicable – current owner is developer
Attach the relocation plan, if applicable.	

VI. PROJECT ENVIRONMENTAL INFORMATION

Has an environmental assessment been completed for the Redevelopment Project?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If so, what level of investigation was done as part of the Redevelopment Project?	Phase 1, Phase 2, Vapor Assessment, Hazardous Materials Assessment

The CDA reserves the right to seek additional information after initial review of the application.

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

Has the Redevelopment Project site been found or suspected to be contaminated?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does your Redevelopment Project include the cleanup of contaminated soils, hazardous waste or materials?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please describe information on type of cleanup, what measures have been taken to address the contamination, consultant reports, and/or Response Action Plan.	A response action plan has been prepared and approved by the Minnesota Pollution Control Agency.
Describe positive environmental impacts of the activities that are part of the Project.	Removal of contaminated soil, capping of areas of intermixed and contaminated soil, mitigation of vapor impacted soils, reduction of exposure and explosive risks.

VII. HOUSING AFFORDABILITY INFORMATION

Indicate the number of housing units planned in the Project, if any. *Attach separate sheet if necessary.*

Unit Type	Total # of Units	# of Owner Units	# of Rental Units	Proposed Rents/ Sales Prices
Single Family	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Townhouse	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Apartments/Condominiums	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Duplexes	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other:	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

Will there be any mechanisms to ensure long-term affordability?

☐ Yes

☐ No

The CDA reserves the right to seek additional information after initial review of the application.

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY REDEVELOPMENT INCENTIVE GRANT (RIG) PROJECT APPLICATION

If yes, please describe. [Click or tap here to enter text.](#)

VIII. ECONOMIC BENEFITS

Projected appraised or assessed value of the site after redevelopment:	\$ 9,428,000 Pay Year: 2027
What will be the estimated property taxes after redevelopment?	\$ 187,060 Pay Year: 2027
Project the number of <u>new</u> jobs on the Project site created after redevelopment.	Total new jobs (FTEs only) = 82
Number of new jobs with wages greater than \$15.00 per hour	82
Project the number of jobs <u>retained</u> on the Project site after redevelopment.	Total retained jobs (FTEs only) = 15
Number of retained jobs with wages greater than \$15.00 per hour	15

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

IX. PROJECT SOURCES AND USES

Itemize all funding sources for the Project and the Activities identified as part of the Project. **Please include the requested RIG funds in the total.**

Source of Funds	Amount	Committed	Pending
Bank Loan	\$ 7,000,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Private Equity	\$ 1,162,471.09	<input checked="" type="checkbox"/>	<input type="checkbox"/>
TBRA	\$ 1,205,918.4	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEED Contamination/Cleanup	\$ 1,205,918.4	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HUD EDI Grant (Road/Utilities)	\$ 1,025,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dakota CDA RIG Grant	\$ 250000	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Total:	\$ 11,849,307.89		

Itemize all Project expenses for the Project and the Activities identified as part of the Project. Be as detailed as possible. **Please include the requested RIG funds in the Funding Sources column.**

Project Activities/Expenses	Amount	Funding Source
Contaminated Soil Cleanup	\$ 2,236,143.64	DEED, TBRA, Private
Construction (Building)	\$ 5,666,475	Private
Vapor Mitigation	\$ 430,480	DEED, TBRA, Private
Site Work, Soil Correction, Ground Improvement	\$ 2,417,109.25	RIG, Private
Road/Utility Extensions	\$ 1,025,000	HUD EDI Grant
RAP Oversight, Testing, MPCA Reporting	\$ 74,100	Click or tap here to enter text.
Total:	\$ 11,849,307.89	

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
REDEVELOPMENT INCENTIVE GRANT (RIG)
PROJECT APPLICATION**

List other sources of funds requested or considered but not obtained for the Project, and explain why they were not obtained, to the best of your knowledge. (The purpose of this question is to ensure all other funding sources have been exhausted.)

[Click or tap here to enter text.](#)

X. PROJECT READINESS TO PROCEED

Please provide a detailed timeline of the Project with all actions, phases, and anticipated dates for completion.	A timeline is attached as Attachment A.				
<p>Please indicate whether any of the following entitlement or due diligence actions are required or have been completed for the Project:</p> <table border="0"> <tr> <td data-bbox="133 709 773 793"> <input type="checkbox"/> Comprehensive plan amendment: Status: Click or tap here to enter text. </td> <td data-bbox="773 709 1490 793"> <input type="checkbox"/> Environmental review: Status: Click or tap here to enter text. </td> </tr> <tr> <td data-bbox="133 825 773 909"> <input type="checkbox"/> Zoning amendments or variances: Status: Click or tap here to enter text. </td> <td data-bbox="773 825 1490 909"> <input type="checkbox"/> Market or feasibility study: Status: Click or tap here to enter text. </td> </tr> </table>		<input type="checkbox"/> Comprehensive plan amendment: Status: Click or tap here to enter text.	<input type="checkbox"/> Environmental review: Status: Click or tap here to enter text.	<input type="checkbox"/> Zoning amendments or variances: Status: Click or tap here to enter text.	<input type="checkbox"/> Market or feasibility study: Status: Click or tap here to enter text.
<input type="checkbox"/> Comprehensive plan amendment: Status: Click or tap here to enter text.	<input type="checkbox"/> Environmental review: Status: Click or tap here to enter text.				
<input type="checkbox"/> Zoning amendments or variances: Status: Click or tap here to enter text.	<input type="checkbox"/> Market or feasibility study: Status: Click or tap here to enter text.				
If the activity that is to receive RIG funding will not be completed in 12 months, please explain why. (NOTE: The RIG program requires all RIG-funded activities to be completed within a 12-month period)	Click or tap here to enter text.				

REQUIRED ATTACHMENTS

1. City Resolution approving application.
2. Location map of Site. Include property boundaries, north arrow, and bar scale.
3. Photos of the Site's current conditions.
4. Proof of property ownership, e.g. tax statement, purchase agreement, closing statement, etc.
5. Current and proposed Site Plan.
6. Copies of environmental investigation reports, if available.
7. Letter or report showing economic benefits of redevelopment project.

The CDA reserves the right to seek additional information after initial review of the application.

City of South St. Paul
Dakota County, Minnesota

RESOLUTION NO. 2025-62

**APPROVING THE SUBMITTAL OF A REDEVELOPMENT INCENTIVE GRANT TO
THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

WHEREAS, the City of South St. Paul has identified a proposed project within the City that meets the purposes and criteria of the Dakota County Community Development Agency's (CDA) Redevelopment Incentive Grant Program; and

WHEREAS, the City has established Redevelopment Plan of which the proposed project is a component; and

WHEREAS, the City has the capability and capacity to ensure the proposed project be completed and administered within the guidelines of Redevelopment Incentive Grant Program; and

WHEREAS, the City has the legal authority to apply for financial assistance; and

WHEREAS, the City supports the development of affordable housing and of the CDA's mission to improve the lives of Dakota County residents through affordable housing and community development.

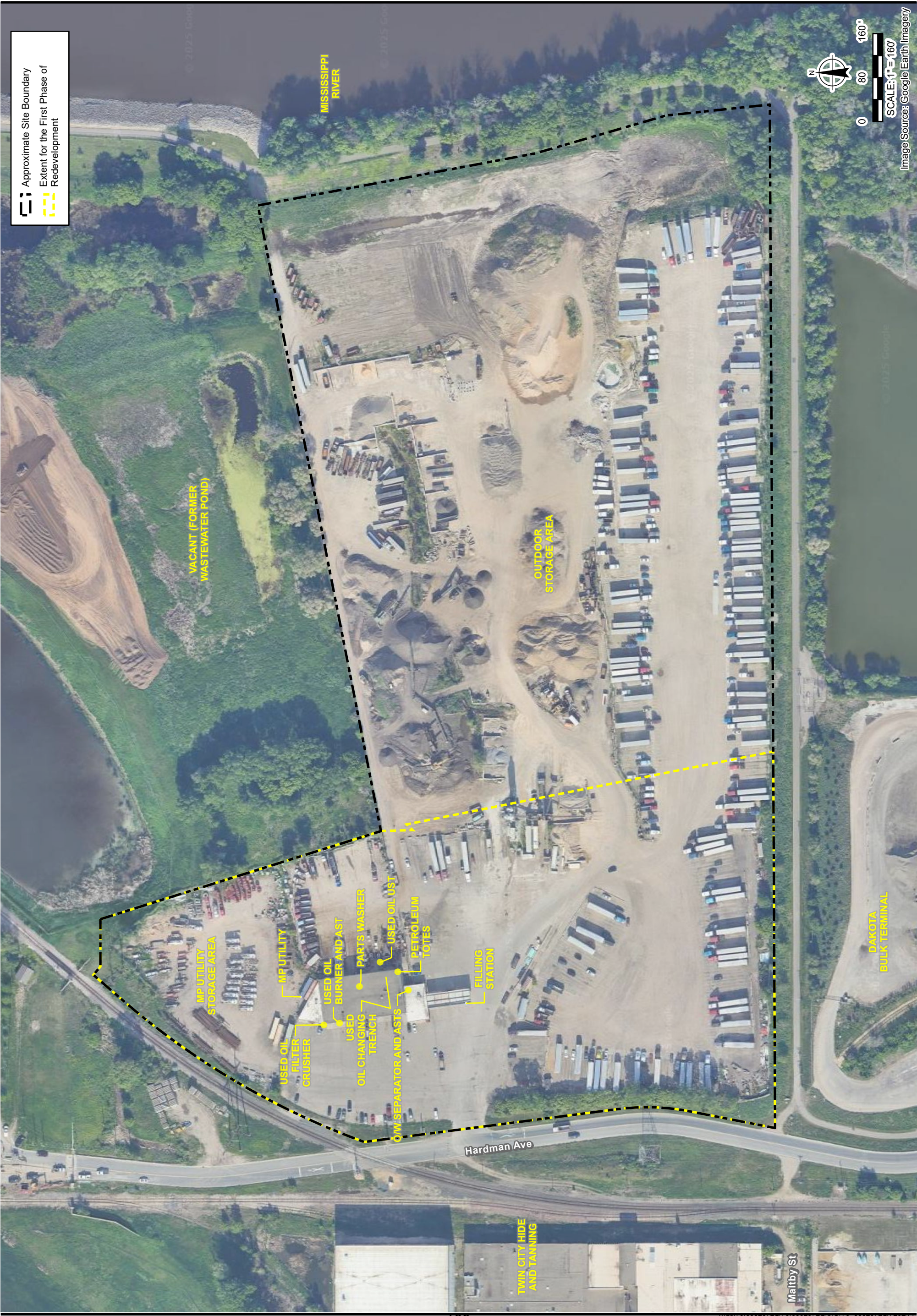
NOW, THEREFORE, BE IT RESOLVED that the City of South St. Paul approves the application for funding from the Dakota County CDA Redevelopment Incentive Grant program.

BE IT FURTHER RESOLVED that upon the approval of its application by the Dakota County CDA, the Mayor and the City Clerk are hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project.

Adopted this 2nd day of June 2025.



City Clerk



Approximate Site Boundary
Extent for the First Phase of
Redevelopment

Drawing Information

Project No:
B2402999.01

Drawing No:
Fig2_SiteLayout

Drawn By: ZS
Date Drawn: 2/18/2025
Checked By: KJH
Last Modified: 4/29/2025

Project Information

Wakota Crossing

843 Hardman Ave S

South Saint Paul,
Minnesota

Site Layout

Figure 1
Image Source: Google Earth Imagery

May 1, 2025

Ms. Kristin Lukes
Minnesota Department of Employment and Economic Development
Director, Office of Brownfields and Redevelopment
1st National Bank Building
332 Minnesota Street, E200
St. Paul, MN 55101

Re: Executive Summary of Project Contamination Cleanup Grant Application
Wakota Crossing
843 Hardman Avenue South
South Saint Paul, Minnesota

Dear Ms. Lukes,

Danner Limited Family Partnership is planning to construct three slab-on-grade commercial/industrial buildings, associated paved parking and utility infrastructure, and two stormwater treatment systems as well as the renovation of the existing filling station and maintenance garage. Additionally, the City of South St. Paul is planning to complete an expansion of Verderosa Avenue to run southward toward the Site and then westward across the Site and connect to Hardman Avenue South. The final Site use is intended to be flexible and accommodating to potential business including and not limited to technology, trucking logistics, manufacturing, industrial warehouse/distribution centers, and general office space.

The Site consisted of vacant land from the mid-1930s until at least the 1950s. According to historic records and reviewed aerial photographs, the former South St. Paul dump appears to have been located on the southwest portion of the Site from the 1960s through 1970s. From the mid-1960s to mid-1990s, a wastewater treatment pond was present on the eastern portion of the Site, though it was in operation only until the 1970s. In 1989, the western portion of the Site was sold to Danner by Packer River. In 1990, the existing one-story 19,324-square foot service garage and filling station were constructed, and the remainder of the Site was used as a contractor storage yard, rock crushing yard, and concrete plant with scale operations and vacant land. Materials managed at the truck maintenance shop and office building included oil, lubricants, solvents, and cleaning chemicals in various quantities. Large quantities of fill soil, concrete, and rock were managed as part of the aggregate, crushing, and concrete operations at the Site. In 1998, the City of South St. Paul sold the eastern portion of the Site to Danner Inc. and the sewage treatment pond on the eastern portion of the Site was excavated to bedrock and backfilled for Site operations. The easternmost parcel was purchased back by the City of South St. Paul from Danner, Inc. in 2014.

AA/EOE

In association with the filling station, five active USTs are registered at the Site and consist of one 8,000-gallon diesel UST, one 10,000-gallon fuel oil UST, one 10,000-gallon diesel UST, one 12,000-gallon gasoline UST and one 20,000-gallon diesel UST. A release was reported to the MPCA on January 6, 2017 and assigned LS0020304. The MPCA closed the file regarding this release on June 13, 2022, indicating that the investigation and/or remediation was completed to their satisfaction.

On the adjoining property north of the Site, a municipal sewage disposal facility was in operation from the mid-1930s to the mid-1980s. The sewage treatment pond located on the eastern portion of the Site was used as a secondary pond for this municipal facility. A leather and tanning facility (Twin City Hide and Tanning) has been in operation on the adjoining property west of the Site starting in the mid-1960s until present day.

Previous subsurface investigations have identified impacted soil, groundwater, and soil vapor throughout the Site. In soil, identified contaminants of concern have included various metals (arsenic, cadmium, and lead), petroleum and non-petroleum related volatile organic compound (VOCs), gasoline range organics (GRO), diesel range organics (DRO), semi-VOCs (SVOCs) including polycyclic aromatic hydrocarbons (PAHs), polychlorinated biphenyls (PCBs), and per- and polyfluoroalkyl substances (PFAS). In groundwater, VOCs, PAHs, and PFAS were detected at concentrations exceeding applicable Drinking Water Criteria (DWC). Additionally, elevated concentrations of DRO (i.e., above 1,000 µg/L) were observed in groundwater throughout western and central portions of the Site, though DWC for DRO is not currently established. In soil vapor, benzene, 1,3-butadiene, and methane were reported at concentrations exceeding applicable regulatory standards. Suspected sources of the impacted media appear to be primarily related to the service garage, filling station, the former South St. Paul dump, the wastewater treatment pond and the associated imported fill, and the off-Site leather and tanning facility.

The northwest portion of the Site (36-83200-01-020) is currently developed with a six-bay truck maintenance building (service garage), office building, and filling station with petroleum underground storage tanks (USTs). A truck oil changing trench is located on the south end of the maintenance building. The easternmost parcel (36-83200-00-010) is a vacant land buffer along the Mississippi River. The remainder of the Site is used by Danner Family Limited Partnership for outdoor storage, aggregate and soil storage, and vehicle parking.

The redevelopment will be conducted in three phases, one phase for each proposed building. The first phase will include construction of the western stormwater treatment area (Proposed Stormwater Pond 1) and the westernmost building (Proposed Building 1) as well as the retroactive installation of an intrinsically safe vapor mitigation system for the existing maintenance garage and office and the removal of the five underground storage tanks (USTs) associated with the filling station. The

vision for Proposed Building 1 is to be built out and customized for a variety of commercial or light industrial tenants. The removal of the five USTs and installation of the vapor mitigation system for the existing building is to allow use of this portion of the Site by a new tenant who intends to use the renovated property as a light vehicle maintenance garage with an outdoor staging area for equipment, materials, and traffic devices. Similarly, the expansion of Verderosa Avenue is planned to be constructed in two phases, with the first phase consisting of approximately 595 feet of linear feet running west to east from Hardman Avenue South across the Site. This portion of Verderosa Avenue, which is planned to occur concurrently with the first phase of the Wakota Crossing redevelopment, will also serve as a utility corridor for Proposed Building 1.

The redevelopment of the Site is being completed by Danner Family Limited Partnership under the guidance of the Minnesota Pollution Control Agency (MPCA) Voluntary Investigation Cleanup (VIC) program. In relation to planned redevelopment activities for the Site, the Site was enrolled into the MPCA's VIC program on March 11, 2025 and assigned MPCA project number BF0002991. A Response Action Plan (RAP) / Construction Contingency Plan (CCP) and an associated addendum with clarifications for the Site were submitted to the MPCA on February 28, 2025 and March 31, 2025, respectively. A RAP Approval Letter was received for the Site on April 22, 2025.

If awarded grant funds from DEED, will be disbursed to assist with the environmental cleanup at the Site. Given the elevated concentrations of contaminants at the Site that pose a potential threat to human health and the environment, Danner Family Limited Partnership is requesting grant funding from the Department of Employment and Economic Development to complete redevelopment in a manner that conforms to the MPCA approved Response Action Plan.

Thank you for your time and consideration, if you have any questions please do not hesitate to contact Imants Pone (952.995.2665, ipone@braunintertec.com) or Amanda Lanning (612.268.9890, alanning@braunintertec.com) from Braun Intertec.

Sincerely,

Braun Intertec,



Amanda E. Lanning, PG
Project Scientist



Imants Pone, PG
Senior Scientist



Drawing Information	
Project No:	B2402999-03
Drawing No:	B2402999-03
Drawn By:	BJB
Date Drawn:	4/16/25
Checked By:	AL
Last Modified:	4/23/25
Project Information	

Wakota Crossing

843 Hardman Avenue
South

South Saint Paul,
Minnesota

**Proposed Soil
Excavation
Extent**

Figure 5



DEED FUNDING WILL INCLUDE IMPACTED SOIL
REMOVAL (SHOWN ABOVE), PLACEMENT OF
CLEAN BACKFILL AND STORMWATER POND CLAY
LINER, AND INSTALLATION OF AN ACTIVE
MITIGATION SYSTEM WITHIN THE PROPOSED AND
EXISTING BUILDINGS.

SOIL EXCAVATION DEPTHS	
0' to 2'	10' to 12'
2' to 4'	12' to 14'
4' to 6'	14' to 16'
6' to 8'	16' to 18'
8' to 10'	

NOTE: TOTAL VOLUME OF EXCAVATED
SOIL = 34,859 CUBIC YARDS



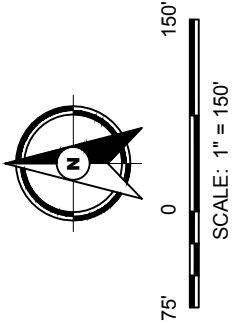


Drawing Information	
Project No:	B2402999-03
Drawing No:	B2402999-03
Drawn By:	BJB
Date Drawn:	4/16/25
Checked By:	AL
Last Modified:	4/16/25
Project Information	

Wakota Crossing
843 Hardman Avenue South
South Saint Paul, Minnesota

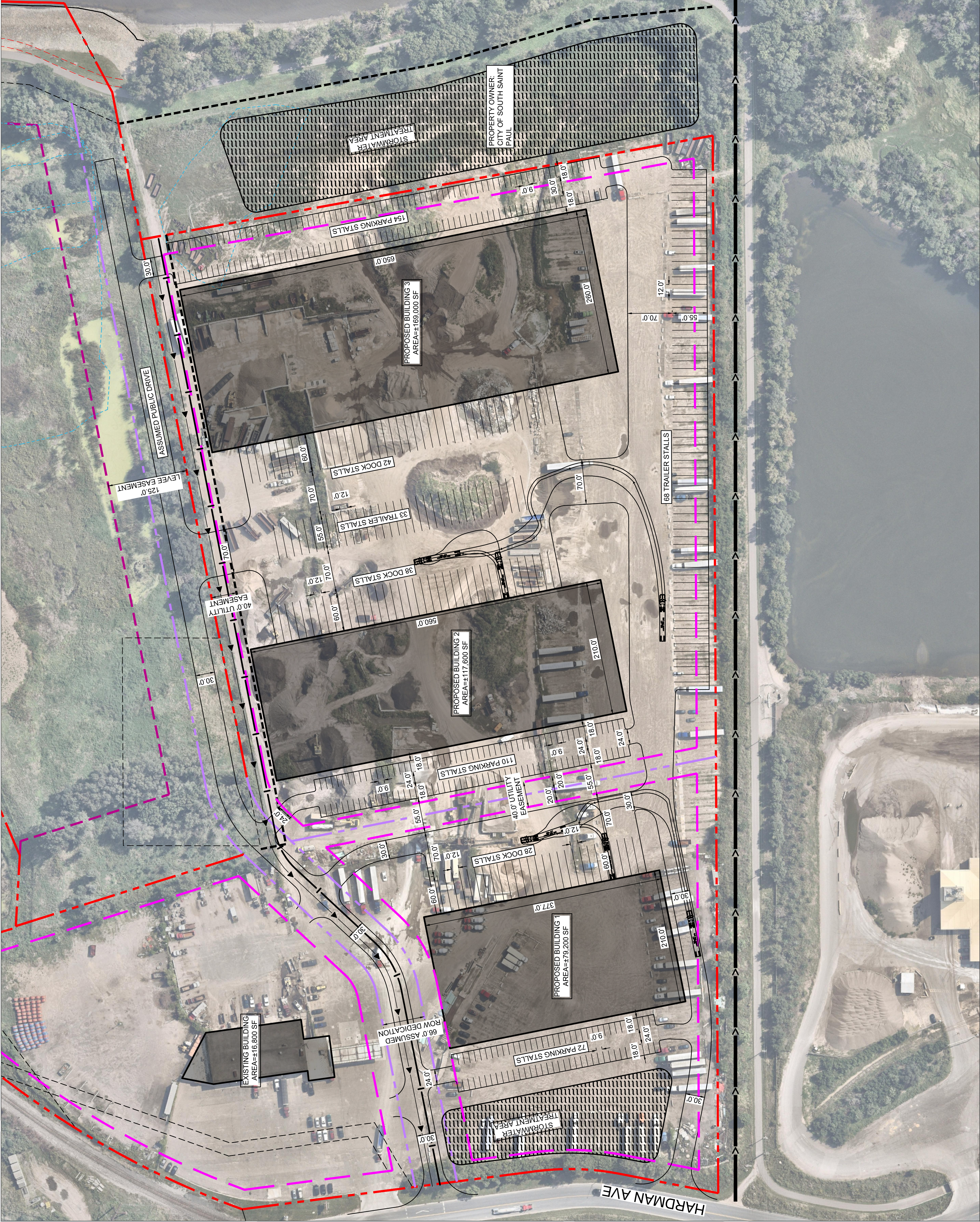
Extent and Depth
of Clean Soil
Buffers

Figure 6



DEED FUNDING WILL INCLUDE IMPACTED SOIL
REMOVAL, PLACEMENT OF CLEAN BACKFILL
(SHOWN ABOVE) AND STORMWATER POND CLAY
LINER, AND INSTALLATION OF AN ACTIVE
MITIGATION SYSTEM WITHIN THE PROPOSED AND
EXISTING BUILDINGS.

NOTE: TOTAL VOLUME OF CLEAN FILL NEEDED FOR
SOIL BUFFER = 30,903 CUBIC YARDS



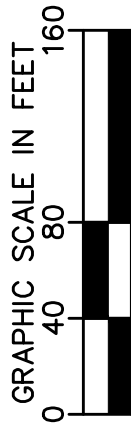
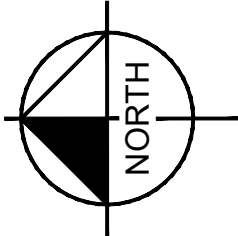
LEGEND

- PROPERTY LINE
- PROPOSED PROPERTY LINE
- EXISTING LEVEE EASEMENT
- FLOWAGE EASEMENT
- OTHER EASEMENTS
- EXISTING STORM SEWER
- WETLAND
- PROPOSED BUILDING
- BUILDING SETBACK LINE
- PROPOSED SANITARY LINE
- PROPOSED WATER LINE
- EXISTING SPOT ELEVATION

ZONING SUMMARY	
EXISTING ZONING	I-INDUSTRIAL
PROPOSED ZONING	PUD / INDUSTRIAL
RIGHT-OF-WAY DEDICATION	43,068 SF / 0.99 AC
TOTAL PROPERTY AREA	1,091,973 SF / 25.07 AC
TOTAL BUILDING AREA	365,770 SF
FAR	33%
MINIMUM FAR	20%
PARKING SETBACKS	SIDE/REAR = 10' FRONT = 20'
BUILDING SETBACKS	SIDE = 30' REAR = 20'
PERVIOUS AREA	283,477 SF / 6.51 AC / 26.0%
MINIMUM PERVIOUS AREA	15%



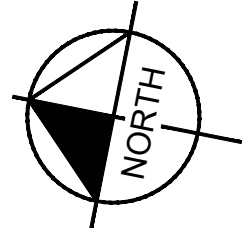
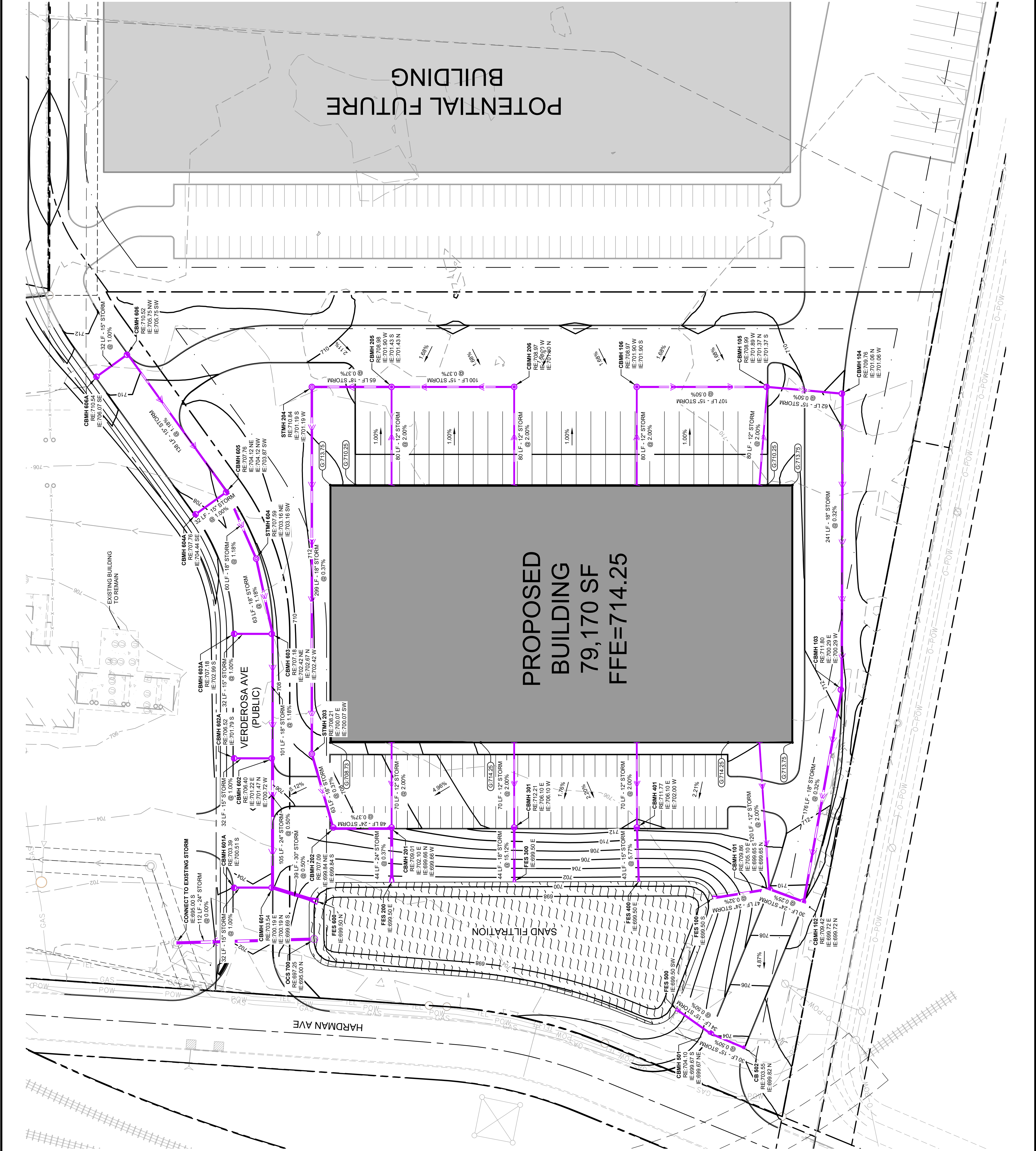
Know what's below.
Call before you dig.



DANNER INC | Concept Site Plan - 1

SOUTH ST. PAUL, MINNESOTA

Project # 160448001.1 January 22, 2025



GRAPHIC SCALE IN FEET

0 20 40 80

Call before you dig.



WAKOTA CROSSING -
BUILDING 1
PREPARED FOR
DANNER FAMILY LIMITED
PARTNERSHIP
SOUTH ST PAUL
MN

EET NUMBER
C500

PRELIMINARY GRADING PLAN

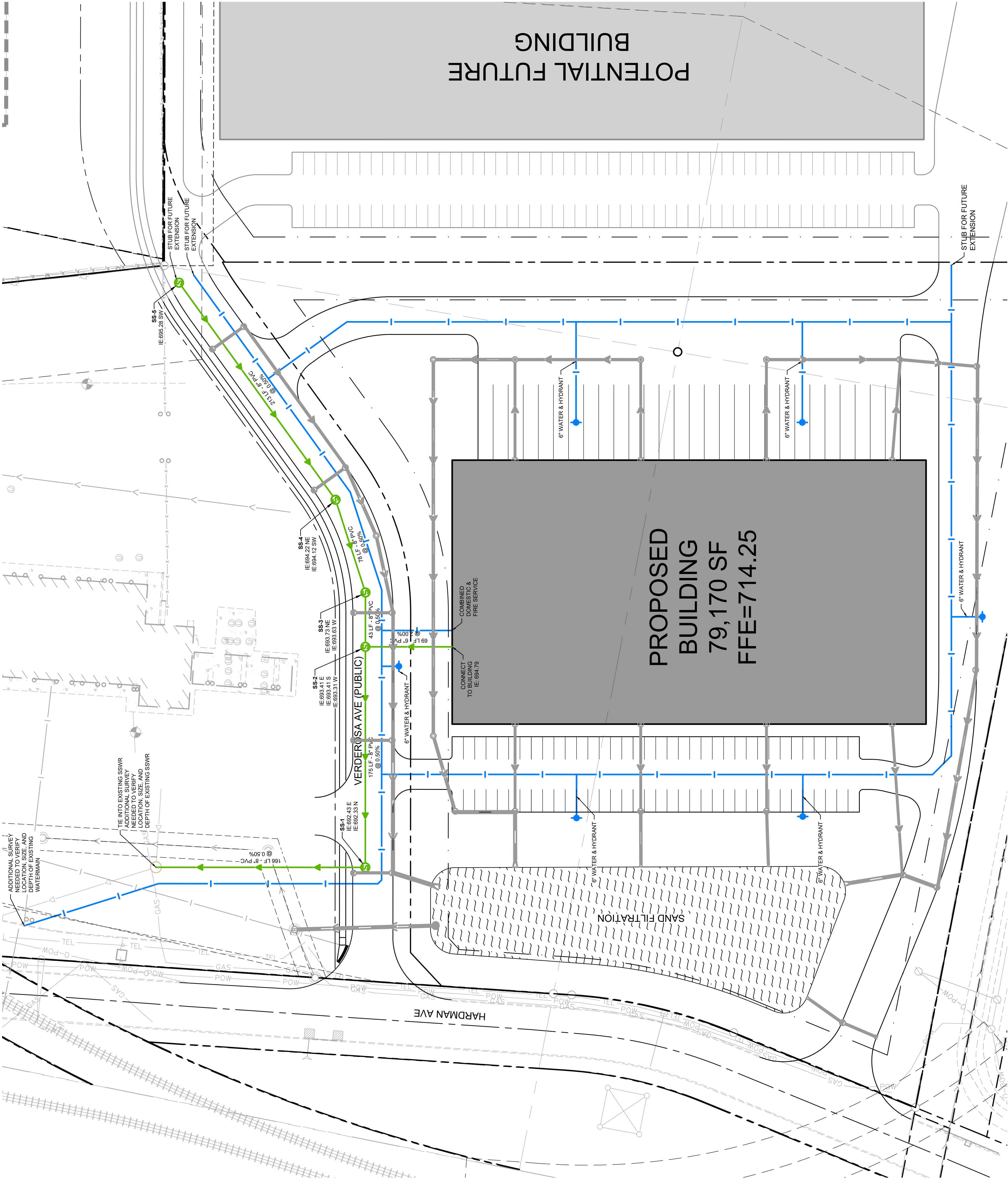
160448001	DATE	04/04/2025
SCALE AS SHOWN		
DESIGNED BY ERW		
DRAWN BY ERW		
CHECKED BY MJS		

Kimley-Horn & Associates, Inc.
767 EUSTIS STREET, SUITE 100, ST. PAUL, MN 55114
PHONE: 651-645-4197
WWW.KIMLEY-HORN.COM

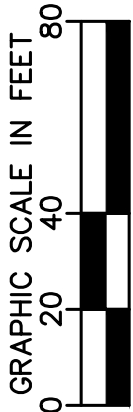
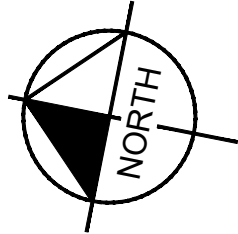
[illegible]

LEGEND

PROPOSED PROPERTY LINE
SETBACK LINE
EXISTING CONTOUR
PROPOSED CONTOUR
PROPOSED RIDGE LINE
PROPOSED SWALE
PROPOSED STORM MANHOLE (SLOPE)
PROPOSED STORM MANHOLE (ROUND)
PROPOSED STORM MANHOLE (CAT)
PROPOSED STORM MANHOLE (CATCH)
PROPOSED STORM SEWER CLEANSING
PROPOSED FLARED END SECTION
PROPOSED RIPRAP
PROPOSED STORM SEWER
PROPOSED SPOT ELEVATION
PROPOSED HIGH POINT ELEVATION
PROPOSED LOW POINT ELEVATION
PROPOSED GUTTER ELEVATION
PROPOSED TOP OF CURB ELEVATION
PROPOSED FLUSH PAVEMENT ELEVATION
WATCH EXISTING ELEVATION
PROPOSED EMERGENCY OVERFLOW
PROPOSED TOP/BOTTOM OF WALL
PROPOSED DRAINAGE DIRECTION
PROPOSED GRADE BETWEEN POINT



LEGEND	
EXISTING	PROPOSED



WAKOTA CROSSING -
BUILDING 1
PREPARED FOR
DANNER FAMILY LIMITED
PARTNERSHIP

SOUTH ST PAUL
MN

PRELIMINARY
UTILITY PLAN

KHA PROJECT	DATE
160448001	04/04/2025
SCALE	AS SHOWN
DESIGNED BY	ERW
DRAWN BY	ERW
CHECKED BY	MJS

2025 KIMLEY-HORN AND ASSOCIATES, INC.
767 EUSTIS STREET, SUITE 100, ST. PAUL, MN 55114
PHONE: 651-645-4197
WWW.KIMLEY-HORN.COM

REVISIONS		No.
DATE	BY	

SHEET NUMBER
C600

April 28, 2025

RE: Danner Family Limited Partnership – 843 Hardman Ave Redevelopment

To whom it may concern,

Danner Family Limited Partnership has been a valued customer of Premier Bank for approximately 10 years. We are in active discussions regarding financing Danner Family Limited Partnership's redevelopment of 843 Hardman Ave, South St. Paul, MN 55075. The loan amount being considered equals approximately \$7 million. Premier Bank has not issued loan approval for financing this development and this letter is not a commitment to lend. It is anticipated that within 4 to 6 weeks, Premier Bank's loan committee will review Danner Family Limited Partnership's loan request. All loan approvals are subject to Premier Bank's underwriting and approval process. Please let me know if there are any questions.

Thank you,



Emmet Nath
VP, Loan Officer
enath@premierbanks.com
651-207-1515

ATTACHMENT A – PROJECT SCHEDULE

Scheduled Tasks

Task	2025												2026											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Design Drawings				X	X																			
Construction Documents					X	X																		
Installation of VMS for Existing Building							X																	
Removal of Filling Station USTs							X																	
Cleanup Implementation								X	X	X	X													
Site Grading									X	X	X													
Construction										X	X	X	X	X	X									
Certificate of Occupancy Obtained																	X							

Cleanup Start date: 7/1/2025

Cleanup Completion date: 9/30/2025

Construction Completion date: 6/30/2026

Benefits achievement date: 7/1/2026



Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 6D

DEPARTMENT: Community and Economic Development

FILE TYPE: Regular - Action

TITLE

Approve Contingent Award Of HOPE Loan For Camber Hill Townhomes (South St. Paul)

PURPOSE/ACTION REQUESTED

- Approve the contingent award of a HOPE loan to assist in the acquisition and rehabilitation of Camber Hill Townhomes in South St. Paul.
- Authorize the execution and delivery of related documents.

SUMMARY

In 2001, the Dakota County Community Development Agency (CDA) and the Dakota County Board of Commissioners entered into a Joint Powers Agreement for the purpose of establishing and implementing the Housing Opportunities Enhancement (HOPE Program) fund as a gap financing source for the creation and preservation of affordable housing in Dakota County.

The CDA has received an application for \$750,000 in HOPE funds from Camber Hill, LLLP for the acquisition and renovation of Camber Hill Townhomes, an existing 44-unit affordable townhome development located at 450 Camber Avenue in South St. Paul. Twin Cities Housing Development Corporation, a non-profit affordable housing developer, will be the developer and managing partner of Camber Hill, LLLP. Twin Cities Housing Development Corporation has constructed and renovated over 2,900 affordable housing units, including a development substantially similar to Camber Hill Townhomes that had been owned by the same entity that currently owns the Camber Hill Townhome development.

Camber Hill, LLLP will seek additional financing from the CDA and apply for 9% Low Income Housing Tax Credits in July 2025. The HOPE funds will help to fill the financing gap for the acquisition and rehabilitation of the Camber Hill Townhome development and make the applications for additional financing from the CDA more competitive in July.

Camber Hill Townhomes was built in 1982-83 and has significant renovation needs due to its age and deferred maintenance. Camber Hill Townhomes currently has a federal project-based Housing Assistance Payment (HAP) contract for 100% of the units. The HAP contract, scheduled to expire in April 2026, allows residents to pay a percentage (up to 30%) of their income toward rent payments, with the Department of Housing and Urban Development (HUD) paying the remaining rent payments. As part of the acquisition and rehabilitation of the property, the HAP contract will also be extended with HUD to preserve the long-term affordability of the property for residents. Under the extended HAP contract, residents will continue to pay no more than 30% of their income toward rent payments. At move-in all households must have incomes at or below either 30% or 50% AMI. The income limit for the HOPE funded units (25) will be restricted to no more than 50% of the Area Median Income (currently \$66,200 for a household of 4). A site location map of the proposed development is included as Attachment A.

RECOMMENDATION

Staff recommends awarding \$750,000 in HOPE funds to the Camber Hill Townhomes project, to authorize staff to prepare, execute, and deliver all documents necessary to provide for the commitment of HOPE, and to authorize the Executive Director to execute and deliver all related documents. The award will be contingent upon the project receiving the other necessary financing to be able to advance.

EXPLANATION OF FISCAL/FTE IMPACTS

If approved, these budgeted FYE26 HOPE funds will be assigned to this activity and carried forward into the FYE27 budget if not expended by June 30, 2026.

☐ None ☐ Current budget ☐ Amendment Requested ☒ Other: FYE26 Budget

RESOLUTION

WHEREAS, the Dakota County Board of Commissioners and the Dakota County Community Development Agency (CDA) have a Joint Powers Agreement that includes operating guidelines, reporting requirements, and outlines the priorities for the Housing Opportunities Enhancement (HOPE) program; and

WHEREAS, the CDA has adopted a HOPE Policy and Budget for the HOPE funds setting forth criteria governing the award of HOPE funds; and

WHEREAS, Camber Hill, LLLP has submitted an application for HOPE funds for the acquisition and rehabilitation of Camber Hill Townhomes, an existing affordable housing development in South St. Paul; and

WHEREAS, staff recommend a HOPE award of up to \$750,000 for the acquisition and rehabilitation of Camber Hill Townhomes, with the final amount to be determined by project underwriting and the availability of matching funds.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That:

1. The CDA hereby approves an award of HOPE Program funds in an amount up to \$750,000 for the acquisition and rehabilitation of Camber Hill Townhomes in South St. Paul.
2. Staff is authorized to prepare, execute, and deliver all documentation necessary or convenient to provide for the commitment of HOPE Program funds based on findings made in accordance with the requirements of the Joint Powers Agreement and the HOPE Policy. In addition, staff is authorized to determine award contingencies for the project based on the characteristics of the individual development, financial feasibility, project underwriting, or other factors in accordance with the Joint Powers Agreement and the HOPE Policy.
3. The Executive Director of the CDA is authorized to execute said documents upon such release.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment A: Site Photo and Location Map

CONTACT

Department Head: Lisa Alfson, Director of Community and Economic Development

Author: Kathy Kugel, Housing Finance Manager

Attachment A: Site Photo and Location Map

Camber Hill Townhomes
450 Camber Avenue, South St. Paul, MN 55075





Board of Commissioners

Request for Board Action

Meeting Date: June 24, 2025

Agenda #: 6F

DEPARTMENT: Administration

FILE TYPE: Regular - Action

TITLE

Closed Executive Session: Executive Director's Mid-Year Performance Evaluation

PURPOSE/ACTION REQUESTED

Hold a closed executive session.

SUMMARY

The Dakota County Attorney has advised that prior to closing a CDA Board meeting, pursuant to the Open Meeting Law, Minn. Stat. Ch. 13D, the Board must resolve by majority vote to close the meeting.

RECOMMENDATION

The Executive Director has recommended that a closed executive session be held during the CDA Board meeting on June 24, 2025 to evaluate his mid-year performance. The Executive Director has agreed to the closed executive session for this purpose.

EXPLANATION OF FISCAL/FTE IMPACTS

N/A

☒ None ☐ Current budget ☐ Amendment Requested ☐ Other

RESOLUTION

WHEREAS, upon adoption of a resolution by majority vote, the CDA Board is authorized, pursuant to Minn. Stat. § 13D.05 3(a), to hold a closed executive session to discuss the performance of an individual who is subject to its authority; and

WHEREAS, the CDA Board of Commissioners desires to meet to discuss the mid-year performance of the Executive Director.

NOW, THEREFORE BE IT RESOLVED That the Dakota County Community Development Agency Board of Commissioners hereby closes the CDA Board meeting on June 24, 2025 to discuss the mid-year performance of the Executive Director.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

None.

CONTACT

Department Head: Sara Swenson, Director of Administration and Communications

Author: Sara Swenson