



EDA MEETING AGENDA
Thursday, April 6, 2023
3:00 p.m.

The EDA will meet in the City Hall Board Room

- 1. CALL TO ORDER**
- 2. ROLL CALL: Cooreman, Dahl, Dombeck, Gesme, Montgomery**
- 3. EDA BUSINESS**
 - A. Approval of Agenda
 - B. Approval of Minutes – March 2, 2023
 - C. Financials
 - i. Sievers Creative Invoice
 - D. Hardwood Estates
 - i. Concept plan
 - ii. Land Rent Agreement
 - E. Other Business
 - i. Blue Water Farms Walleye
 - ii. FEAST Expo Recap
 - iii. American Vet Memorial Update
 - iv. 2023 Goal Planning
 - v. Next meeting: May 4th at 3:30 p.m.
- 4. ADJOURN.**

Posted: April 3, 2023



EDA MEETING Background
Thursday, April 6th, 2023
3:00 p.m.

Item C. Financials – Reports will be available the day of the meeting.

- i. **ArtOrg Update** – February payment was made by Cannon Realty (Bryan Skillestad). December and January was paid; March was not.
- ii. **Sievers Creative Invoice** – Invoice for \$125 needs to be approved for the Cannon Roots website/hosting for the quarter.
- iii. **SMIF Donation** – Annual Contribution to SMIF has been \$500 to support their efforts in SE MN. They are requesting support again for 2024.

Item D. Hardwood Estates Updates

- i. **Concept Plan** – WHKS engineer and planner, Jesse Preston has come up with a few concept plans included in your packet. Please note that the orange colored lots are slated for townhomes (rental/purchase), pink are regular single family lots and green is the park area.
- ii. **Land Rent** – According to the City Attorney, the EDA is allowed to rent the land for farming without the need for competitive bids. As long as the rent collected is 'reasonable' and the amount is a 'fair value' as to not seem like it is being 'gifted' to the renter. Cooreman has followed up with Gavin Hokanson to confirm renting the 30 acres for \$150/acre for the 2023 growing season; this will be an annual agreement until Phase 2 is ready for development.

Item G. Other Business.

- i. **Blue Water Farms Walleye** – Local entrepreneur and his investment team are in Phase 2 of their business plan which involves site selection. Seeking 7-10 acres to build a closed loop system for a brooding/hatchery for walleye as well as a vertical hydroponics farm for the walleye to feed on. Estimated value of the hatchery/brooding facility would be \$5-7 million; hydroponics aquaculture feed could either be in addition to the facility or a separate location in Goodhue County altogether. Informational slides are included in your packet. Discussion only.
- ii. **FEAST Expo Recap** – 59 vendors for our listed capacity of 58, we ended up with two last-minute cancellations due to illness, for a final total of 57 vendors exhibiting. Of 78 buyers registered in advance, we had some no-shows and some late registrants, giving us a final total of 67 buyers in attendance—well over twice what we had last year! The Bus Tour of our local producers was a HIT! John Peterson and [Deeann Lufkin](#) joined me to narrate and give the tour. Tim Penny (head of SMIF) also rode along as well as about 15 other food producers from out of town. The riders received a bag of cheese curds and turkey sticks along the way. Well worth their \$10 admission fee!
- iii. **American Vet Memorial Opening** – Excavation has started up again with a goal to get the parking area and 4 soccer fields graded for the May 14th Grand Opening Celebration that is supposed

to be 16 days long. A media event is scheduled for April 14th in addition to a meeting with the school regarding the use of the soccer fields.

iv. 2023 Goal Planning – Conversation was started in February about goals for 2023 and the next 5 years. In February, the items that were discussed were: Lodging Tax, annexation, housing developments (getting shovels in the ground), industrial park expansion, increasing the vibrancy and vitality of downtown. If there is any further discussion the conversation will continue during the meeting.

The Cannon Falls Economic Development Authority (EDA) met on Thursday, March 2, 2023 at 3:30 p.m. in the City Hall Conference Room for its regular meeting. EDA Board Members present were: Luke Cooreman, Amy Dombeck, Mayor Matt Montgomery, Steve Gesme and Jon Dahl. Also present were Neil Jensen, Dianne Howard and Laura Qualey. Guests were Diane Johnson, Gene Stinar, Supt. Sampson and Rosie Schluter (via ZOOM.)

Call to Order	Cooreman called the meeting to order at 3:30 p.m.
Approve Agenda	Dahl pointed out that Items 3E. and 3F. were out of order in the memo that accompanied the EDA Packet; otherwise the agenda was correct. Dombeck made a motion to approve the agenda; Cooreman seconded the motion; unanimously passed.
Approve Minutes	Minutes from February 2, 2023 motion by Gesme to approve; seconded by Mayor Montgomery; unanimously approved.
Financials	<p>ArtOrg has made their December and January payments; but February payment was not made. Qualey commented that Tilion also missed their February payment, perhaps the shortened month was a factor as they are usually on time with their payments. RLF balance is an estimated \$117,961.05 is available for lending; \$294,299.05 outstanding in loans.</p> <p>Qualey asked the board if they would consider making a contribution to the upcoming FEAST! Trade show at Grand O2 on the 23rd; Gesme made a motion to approve \$500 to the event; Mayor Montgomery recused himself from the vote as he works for a business that will be a vendor at the event; Dombeck seconded the motion; Passed with a 4-0-1 vote.</p>
EDA Annual Report	Qualey presented the EDA 2022 Annual Report which encompassed grants, marketing, business expansions, as well as planning and zoning info from the Zoning Administrator such as building permits issued, licensing, and other activity within the city that went through the P & Z Department. The report will be presented to the Council on the 21st as a requirement of the EDA Bylaws. Motion to approve the report was made by Dombeck; second by Gesme; motion passes.
Hardwood Estates Updates:	<p>CONCEPT PLAN: Jensen distributed a very preliminary concept for the property created by Jesse Preston from WHKS. The concept plan exhibits 111 single lots for housing. Phase 1 consists of 10 acres accommodating 26 lots that would continue down 72nd Street and to the west forming a cul-de-sac.</p> <p>RENTING LAND: The discussion of renting out the remaining 30 acres of property was discussed. This would allow the EDA to cover the property taxes until the development was ready to proceed for Phase II in the future. Cooreman has contacted a few area farmers to see if they'd be interested and has confirmation from one that they would rent the property for 2023 growing season. Staff will determine if there is any need for a bidding process to occur or not, or if the EDA can rent it to anyone they choose. Gesme made a motion to rent the land for \$150/acre to the Hokanson's for cash up front and an annual renewable contract; Mayor Montgomery seconded the motion; unanimously approved. After the motion was approved, Schluter asked the EDA if there was a public bidding process that needed to occur before renting the land; Qualey and Jensen will consult the Attorney to determine if this is necessary or not.</p>

2023 Goal Planning:	The board ran out of time to discuss any further goal setting for 2023, therefore the board agreed to begin the April meeting at 3 p.m. to offer more time for discussion.
Other Business: Discover CF ad/American Vet Memorial	<p>DISCOVER CF GUIDE. Qualey asked the board if they would like to participate in the Discover CF Guidebook for 2023. Qualey recommended the board participate with a half-page horizontal ad for \$247 vs. the full page ad they ran last year. Dombeck made a motion to approve the half-page horizontal ad for \$247; Cooreman seconded; motion passed.</p> <p>AMERICAN VET MEMORIAL: There is a media event scheduled for Friday, March 24th at the park site and afterward, Founder Tou Fong Lor and guests will retreat to the VFW to meet and greet people. All are welcome to attend.</p> <p>NEXT MEETING: The board consensus was to begin the April 6th meeting at 3 p.m. to continue goal planning. No formal motion was given.</p>
Adjourn	Motion to adjourn by Dombeck, second by Montgomery; unanimously approved. Adjourned at 4:41 p.m.

Respectfully submitted by Laura Qualey

CANNON FALLS EDA REVOLVING LOAN FUND Account 260

Applicant	Original Loan		Interest Rate	Monthly Payment	Loan Status	Maturity Date	Date Paid Off	Total Interest Paid	Deferred Loan	Total Principal Paid	Principal Balance Due
	Loan Date	Amount									
Raw Bistro	1/15/19	\$ 125,000	3.0%	\$828.79		1/15/24		\$13,543.71	\$5,000	\$27,555.71	\$91,867.59
Keith Meyers	8/18/19	\$ 75,000	3.0%	\$483.46		7/18/24		\$6,950.06	\$5,000	\$14,322.18	\$55,677.82
Tilion Brewing Company	7/13/16	\$ 150,000	3.0%	\$1,448.54		9/24/26*		\$21,479.11	\$5,000	\$90,233.75	\$58,492.99
Art Org	11/29/12	\$ 150,000	3.0%	\$1,035.87		12/1/27		\$29,525.10	\$5,000	\$94,013.25	\$55,108.30
Magnolia Animal Hospital	11/15/21	\$ 37,600	3.0%	\$675.62		12/15/27		\$1,409.99	\$0	\$9,482.50	\$28,117.50
Total		\$537,600		\$4,472.28				\$72,907.97	\$20,000	\$235,607.39	\$289,264.20

*90 Days COVID deferrment

\$ 289,264.20	Outstanding Loans
\$ 125,975.34	Funds Available in RLF <i>(estimated)</i>
\$ 415,239.54	Total Assets

Updated April 3, 2023

04/03/23
14:46:28

CITY OF CANNON FALLS, MN
Cash Detail Report
For the Accounting Period: 3/23

Page: 1 of 1
Report ID: L160B

Fund/Account Transaction	Document Date	Received	Transfers In	Disbursed	Transfers Out
260 ECONOMIC DEVELOPMENT AUTHORITY (EDA)					
101000 CASH					
CR 255836	1 EDA INT PMT-MEYERS, KEITH	03/29/23	128.95		
CR 255836	2 EDA PRINC PMT-MEYERS, KEITH	03/29/23	354.51		
CR 255837	1 EDA PRINC PMT-TILION	03/29/23	1,292.87		
CR 255837	2 EDA INT PMT-TILION	03/29/23	155.67		
CR 255838	1 EDA INT PMT-TILION	03/29/23	137.63		
CR 255838	2 EDA PRINC PMT-TILION	03/29/23	1,310.91		
CR 255839	1 EDA PRINC PMT-RAW BISTRO	03/29/23	615.96		
CR 255839	2 EDA INT PMT-RAW BISTRO	03/29/23	212.83		
CR 255840	1 EDA INT PMT-ART ORG	03/29/23	233.18		
CR 255840	2 EDA PRINC PMT-ART ORG	03/29/23	856.78		
CR 255841	1 EDA PRINC PMT-MAGNOLIA ANIMA	03/29/23	603.82		
CR 255841	2 EDA INT PMT-MAGNOLIA ANIMAL	03/29/23	71.80		
Total Received		5,974.91			
Total Account		5,974.91	0.00	0.00	0.00
Total Fund		5,974.91	0.00	0.00	0.00
Grand Totals		5,974.91	0.00	0.00	0.00

04/03/23
14:44:58

CITY OF CANNON FALLS, MN
Cash Report by Fund/Account
For the Accounting Period: 3/23

Page: 1 of 1
Report ID: L160

Funds 260- 260

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
260 ECONOMIC DEVELOPMENT AUTHORITY (EDA) 101000 CASH	320,471.43	5,974.91	0.00	0.00	0.00	326,446.34
Totals	320,471.43	5,974.91	0.00	0.00	0.00	326,446.34

*** Transfers In and Transfers Out columns should match, with the following exceptions:

- 1) Cancelled electronic checks increase the Transfers In column. Disbursed column will be overstated by the same amount and will not balance to the Redeemed Checks List.
- 2) Payroll Journal Vouchers including local deductions with receipt accounting will reduce the Transfers Out column by the total amount of these checks.

04/03/23
14:47:30

CITY OF CANNON FALLS, MN
Detail Ledger Query
For the Accounting Periods: 1/23 - 3/23

Page: 1 of 3
Report ID: L091

Funds 235- 235

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
235 PLANNING & ECONOMIC DEVELOPMENT DEPT						
101000 CASH						
SC 74142	1st Qtr 2023 Support Svces	CEDA	1/23		16,458.75	
SC 74157	Proj: 1910-RAP Addendum Prep-Cannon	ATC GROUP SERVICES LLC	1/23		600.00	
SC 74178	Proj: 2185-December Svces-General-M	HOFF BARRY, P.A.	1/23		618.75	
SC 74178	Proj: 2030-December Svces-General-J	HOFF BARRY, P.A.	1/23		660.00	
SC 74189	2023 Qtrly Maint	SIEVERS CREATIVE LLC	1/23		125.00	
SC 74348	January Development	HOFF BARRY, P.A.	2/23		453.75	
SC 74348	Proj: 2185-January Dev-Hardwood Est	HOFF BARRY, P.A.	2/23		247.50	
SC 74348	Proj: 2195-January Dev-Stinar	HOFF BARRY, P.A.	2/23		1,478.75	
SC 74348	Proj: 2110-January Dev-Molenaar	HOFF BARRY, P.A.	2/23		41.25	
SC 74348	Proj: 2200-January Dev-Endres	HOFF BARRY, P.A.	2/23		618.75	
SC 74392	Proj: 2195-February Development-Sti	HOFF BARRY, P.A.	2/23		41.25	
SC 74392	Proj: 2200-February Development-End	HOFF BARRY, P.A.	2/23		41.25	
SC 74392	Proj: 2110-February Development-Mol	HOFF BARRY, P.A.	2/23		866.25	
SC 74392	Proj: 2205-February Development-Joh	HOFF BARRY, P.A.	2/23		8.10	
SC 74413	Feast Tradeshow	RENEWING THE COUNTRYSIDE	3/23		500.00	
SC 74438	Subscription	SHRPA LLC	3/23		500.00	
SC 74513	2023 Taxes-R 52-110-0090	GOODHUE COUNTY	3/23		1,220.00	
SC 74513	2023 Taxes-R-52-111-0010	GOODHUE COUNTY	3/23		1,084.00	
SC 74513	2023 Taxes-R-52-111-0030	GOODHUE COUNTY	3/23		822.00	
SC 74513	2023 Taxes-R-52-350-0070	GOODHUE COUNTY	3/23		5,666.00	
SC 74535	2nd Qtr 2023 Support Services	CEDA	3/23		16,458.75	
Account Total:				149,443.27 DB	48,510.10	100,933.17 DB
202000 ACCOUNTS PAYABLE						
CL 46686 1	1st Qtr 2023 Support Svces	CEDA	1/23		16,458.75	
CL 46702 1	Proj: 1910-2470101 RAP Addendum	ATC GROUP SERVICES LLC	1/23		600.00	
CL 46726 4	Proj: 2185-17502 December Svce	HOFF BARRY, P.A.	1/23		618.75	
CL 46726 5	Proj: 2030-2030 December Svce	HOFF BARRY, P.A.	1/23		660.00	
CL 46735 1	1544 2023 Qtrly Maint	SIEVERS CREATIVE LLC	1/23		125.00	
SC 74142	1st Qtr 2023 Support Svces	CEDA	1/23	16,458.75		
SC 74157	Proj: 1910-RAP Addendum Prep-Cannon	ATC GROUP SERVICES LLC	1/23	600.00		
SC 74178	Proj: 2185-December Svces-General-M	HOFF BARRY, P.A.	1/23	618.75		
SC 74178	Proj: 2030-December Svces-General-J	HOFF BARRY, P.A.	1/23	660.00		
SC 74189	2023 Qtrly Maint	SIEVERS CREATIVE LLC	1/23	125.00		
CL 46864 7	17544 January Development	HOFF BARRY, P.A.	2/23		453.75	
CL 46864 8	Proj: 2185-17544 January Dev-H	HOFF BARRY, P.A.	2/23		247.50	
CL 46864 9	Proj: 2195-17544 January Dev-S	HOFF BARRY, P.A.	2/23		1,478.75	
CL 46864 10	Proj: 2110-17544 January Dev-M	HOFF BARRY, P.A.	2/23		41.25	
CL 46864 11	Proj: 2200-17544 January Dev-E	HOFF BARRY, P.A.	2/23		618.75	
CL 46954 5	Proj: 2195-17576 February Deve	HOFF BARRY, P.A.	2/23		41.25	
CL 46954 6	Proj: 2200-17576 February Deve	HOFF BARRY, P.A.	2/23		41.25	
CL 46954 7	Proj: 2110-17576 February Deve	HOFF BARRY, P.A.	2/23		866.25	
CL 46954 8	Proj: 2205-17576 February Deve	HOFF BARRY, P.A.	2/23		8.10	
SC 74348	January Development	HOFF BARRY, P.A.	2/23	453.75		
SC 74348	Proj: 2185-January Dev-Hardwood Est	HOFF BARRY, P.A.	2/23	247.50		
SC 74348	Proj: 2195-January Dev-Stinar	HOFF BARRY, P.A.	2/23	1,478.75		

04/03/23
14:47:30

CITY OF CANNON FALLS, MN
Detail Ledger Query
For the Accounting Periods: 1/23 - 3/23

Page: 2 of 3
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Funds 235- 235

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235 PLANNING & ECONOMIC DEVELOPMENT DEPT						
202000 ACCOUNTS PAYABLE						
SC 74348	Proj: 2110-January Dev-Molenaar	HOFF BARRY, P.A.	2/23	41.25		
SC 74348	Proj: 2200-January Dev-Endres	HOFF BARRY, P.A.	2/23	618.75		
SC 74392	Proj: 2195-February Development-Sti	HOFF BARRY, P.A.	2/23	41.25		
SC 74392	Proj: 2200-February Development-End	HOFF BARRY, P.A.	2/23	41.25		
SC 74392	Proj: 2110-February Development-Mol	HOFF BARRY, P.A.	2/23	866.25		
SC 74392	Proj: 2205-February Development-Joh	HOFF BARRY, P.A.	2/23	8.10		
CL 46967 1	3777 Feast Tradeshow	RENEWING THE COUNTRYSIDE	3/23		500.00	
CL 47006 1	Subscription	SHRPA LLC	3/23		500.00	
CL 47062 1	2023 Taxes-R 52-110-0090	GOODHUE COUNTY	3/23		1,220.00	
CL 47062 2	2023 Taxes-R-52-111-0010	GOODHUE COUNTY	3/23		1,084.00	
CL 47062 3	2023 Taxes-R-52-111-0030	GOODHUE COUNTY	3/23		822.00	
CL 47062 4	2023 Taxes-R-52-350-0070	GOODHUE COUNTY	3/23		5,666.00	
CL 47094 1	2nd Qtr 2023 Support Services	CEDA	3/23		16,458.75	
SC 74413	Feast Tradeshow	RENEWING THE COUNTRYSIDE	3/23	500.00		
SC 74438	Subscription	SHRPA LLC	3/23	500.00		
SC 74513	2023 Taxes-R 52-110-0090	GOODHUE COUNTY	3/23	1,220.00		
SC 74513	2023 Taxes-R-52-111-0010	GOODHUE COUNTY	3/23	1,084.00		
SC 74513	2023 Taxes-R-52-111-0030	GOODHUE COUNTY	3/23	822.00		
SC 74513	2023 Taxes-R-52-350-0070	GOODHUE COUNTY	3/23	5,666.00		
SC 74535	2nd Qtr 2023 Support Services	CEDA	3/23	16,458.75		
Account Total:			1,950.00 DB	48,510.10	48,510.10	1,950.00 DB
466000 ECONOMIC DEVELOPMENT DEPARTMENT						
3041 LEGAL FEES-OTHER						
CL 46726 4	Proj: 2185-17502 December Svce	HOFF BARRY, P.A.	1/23	618.75		
CL 46726 5	Proj: 2030-2030 December Svce	HOFF BARRY, P.A.	1/23	660.00		
CL 46864 7	17544 January Development	HOFF BARRY, P.A.	2/23	453.75		
CL 46864 8	Proj: 2185-17544 January Dev-H	HOFF BARRY, P.A.	2/23	247.50		
CL 46864 9	Proj: 2195-17544 January Dev-S	HOFF BARRY, P.A.	2/23	1,478.75		
CL 46864 10	Proj: 2110-17544 January Dev-M	HOFF BARRY, P.A.	2/23	41.25		
CL 46864 11	Proj: 2200-17544 January Dev-E	HOFF BARRY, P.A.	2/23	618.75		
CL 46954 5	Proj: 2195-17576 February Deve	HOFF BARRY, P.A.	2/23	41.25		
CL 46954 6	Proj: 2200-17576 February Deve	HOFF BARRY, P.A.	2/23	41.25		
CL 46954 7	Proj: 2110-17576 February Deve	HOFF BARRY, P.A.	2/23	866.25		
CL 46954 8	Proj: 2205-17576 February Deve	HOFF BARRY, P.A.	2/23	8.10		
Object Total:				5,075.60		5,075.60 DB
3092 CONSULTING FEES						
CL 46686 1	1st Qtr 2023 Support Svces	CEDA	1/23	16,458.75		
CL 46702 1	Proj: 1910-2470101 RAP Addendum	ATC GROUP SERVICES LLC	1/23	600.00		
CL 47094 1	2nd Qtr 2023 Support Services	CEDA	3/23	16,458.75		
Object Total:				33,517.50		33,517.50 DB
3430 MARKETING						
CL 46735 1	1544 2023 Qtrly Maint	SIEVERS CREATIVE LLC	1/23	125.00		
Object Total:				125.00		125.00 DB
4330 DUES AND SUBSCRIPTIONS						
CL 47006 1	Subscription	SHRPA LLC	3/23	500.00		
Object Total:				500.00		500.00 DB

04/03/23
14:47:30

CITY OF CANNON FALLS, MN
Detail Ledger Query
For the Accounting Periods: 1/23 - 3/23

Page: 3 of 3
Report ID: L091

Funds 235- 235

Fund/Account/ Doc/Line #	Description	Vendor/Receipt From	Acct. Period	Debit	Credit	Ending Balance
235 PLANNING & ECONOMIC DEVELOPMENT DEPT						
466000 ECONOMIC DEVELOPMENT DEPARTMENT						
4390 OTHER CHARGES						
CL 46967 1 3777	Feast Tradeshow	RENEWING THE COUNTRYSIDE	3/23	500.00		
CL 47062 1	2023 Taxes-R 52-110-0090	GOODHUE COUNTY	3/23	1,220.00		
CL 47062 2	2023 Taxes-R-52-111-0010	GOODHUE COUNTY	3/23	1,084.00		
CL 47062 3	2023 Taxes-R-52-111-0030	GOODHUE COUNTY	3/23	822.00		
CL 47062 4	2023 Taxes-R-52-350-0070	GOODHUE COUNTY	3/23	5,666.00		
	Object Total:			9,292.00		9,292.00 DB
	Account Total:			48,510.10		48,510.10 DB
	Fund Total:			97,020.20	97,020.20	
	Grand Total:			97,020.20	97,020.20	



Invoice

INV-001990

Balance Due
\$125.00

Sievers Creative

163 Tower View Dr
Red Wing Minnesota 55066
U.S.A

Bill To

Community and Economic Development Associates

1500 South Highway 52 PO Box 483
Chatfield
55923 MN
US

Invoice Date : 01 Apr 2023

Terms : Net 15

Due Date : 16 Apr 2023

#	Item & Description	Qty	Rate	Amount
1	Quarterly Website Maintenance Includes: Premium Website Hosting Domain Name Registration All Software and Security Updates Quarterly Report Detailing Updates 2 Content Updates Once Per Quarter	1.00 Each	125.00	125.00
Sub Total				125.00
Total				\$125.00
Balance Due				\$125.00

Notes

Thank you for the payment. We appreciate your business.

Payment Options



Renting out the Farmland on Mulvihill

3 messages

Neil Jensen <njensen@cannonfallsmn.gov>

Tue, Mar 7, 2023 at 3:50 PM

To: "Jon D. Dahl" <JDDahl@merchantsbank.com>, "Luke Cooreman (LukeCooreman@ffmbank.com)" <LukeCooreman@ffmbank.com>, Laura Qualey <laura.qualey@cedausa.com>

Neil L. Jensen

Cannon Falls City Administrator

918 River Road

Cannon Falls, MN 55009

507-263-9304

From: Shelley Ryan <sryan@hoffbarry.com>

Sent: Tuesday, March 7, 2023 3:37 PM

To: Neil Jensen <njensen@cannonfallsmn.gov>

Subject: RE: Renting out the Farmland on Muvihill

Neil,

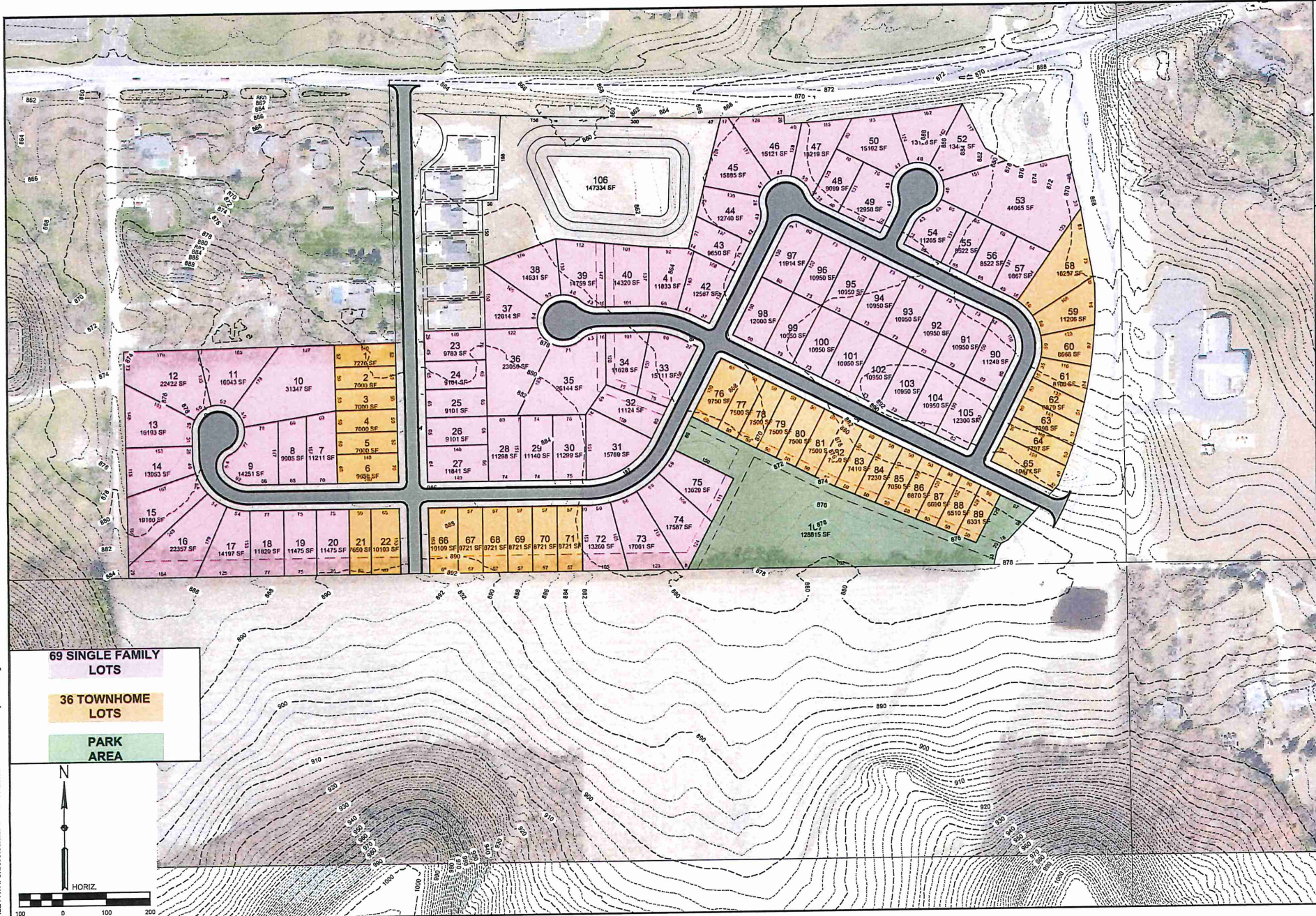
Based on the Charter and state statutes, it appears that the City may rent City-owned real property to the neighboring property owner without going out for bids. Section 4.08 of the City Charter states that "[w]hen competitive bids are required by law for a City purchase or contract, the Council must follow applicable law in the bidding and award process." Minn. Stat. ch. 471 applies to certain transactions within the definition of a "contract:"

Subd. 2. Contract defined. A "contract" means an agreement entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property.

Minn. Stat. section 471.345, subd. 2 (emphasis added). The definition has two parts, neither of which apply based on a plain reading. First, the farm land rental is not a contract for the sale, purchase or rental of supplies, materials or equipment. Second, the contract is not for the construction, alteration, repair or maintenance of the farm land. Case law also suggests that the sale of real property is not subject to competitive bidding, which arguably includes rental agreements. The City has a strong argument that renting land to the neighboring owner does not require competitive bidding under Minn. Stat. ch. 471 or the Charter.

The City should still make sure it is receiving value for the transaction so that it avoids an appearance of making a gift.

Let me know if you have questions or would like to discuss further.



I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

PRELIMINARY ONLY - NOT FOR CONSTRUCTION

Name _____ Date _____ License No. _____

REVISIONS

NO.	DATE	DESCRIPTION

MULVIHILL SUBDIVISION ANALYSIS - CONCEPT 2 MODIFIED

CITY OF CANNON FALLS
CANNON FALLS, MINNEAPOLIS

2023

SCALE:

AS SHOWN

WHKS PROJECT NO.

DRAWN BY:

JPP

CHECKED BY:

BA

SHEET

1 OF 1