City of Dayton
Economic Development Authority (EDA)
August 18, 2026
7:30 a.m.

Dayton City Hall Council Chambers, 12260 South Diamond Lake Rd, Dayton, MN 55327
EDA Commissioners may be participating through interactive technology

Zoom link: https://us02web.zoom.us/j/83069149854?pwd=b6gnkXWqjZro6YnPKQ8bU4l1qTaJpr.1#success

7:30 1. **Call to Order**
Roll Call

The EDA consists of seven members, including two City Councilmembers and five members of the Dayton business community or residents of the City of Dayton with business and/or economic development expertise, each with an interest in promoting the economic growth and development of the City of Dayton. The EDA shall have all the powers, duties, and responsibilities set forth in Minnesota Statutes §469.090 to §469.1081.

7:30 2. **Approval of the Agenda**

7:30 3. **Consent Agenda**
- A. Approval of Minutes, July 21, 2026
- B. EDA Treasurer's Report
- ~~C. Summary of Non-Residential inquiries~~

7:35 4. **Open Forum**
Time is limited to 3 minutes. No EDA Action will be taken. However, direction can be given to staff for future meetings.

7:35 5. **Old Business**
- A. Railroad Spur (no updates)
- B. Lent Property (no updates)
- C. Robinson Street Tax Forfeit property
- D. Dayton Parkway Tax Forfeit property
- E. Balsam Lane Signage
- F. Sign Ordinance (no updates)
- G. Local Affordable Housing Aid (LAHA) Policy

6. **New Business**
- 8:05 A. **CLOSED SESSION**: Pursuant to MN Statute 13D.05, Subd 3(c)(3), a closed session shall be conducted to develop or consider offers or counteroffers for the purchase or sale of real or personal property located at: 180XX Territorial Road, Dayton, MN 55369, PID: 31-120-22-13-0010.
- B. **CLOSED SESSION:** Pursuant to MN Statute 13D.05, Subd 3(c)(3), a closed session shall be conducted to develop or consider offers or counteroffers for the purchase or sale of real or personal property located at: 183xx Robinson Street, Dayton, MN 55327, PID: 31-121-22-31-0056.

7. **Staff & Board Updates** (verbal)
- 8:25 A. Staff Updates
- 8:30 B. EDA Member Updates

EDA MISSION STATEMENT: The Dayton EDA drives targeted growth through business attraction, retention, and strategic redevelopment. We prioritize projects that align with infrastructure, land use, and long-term fiscal health. Our mission is to build a resilient, competitive, and livable city.

The next EDA meeting will be on Tuesday, September 15, 2026, at 7:30 am

8:35 8. **Adjourn**

CITY OF DAYTON
ECONOMIC DEVELOPMENT STRATEGY PLAN (Amended in 2026)
GOALS:

1. Strengthen the Local Tax Base
2. Encourage Public/Private Partnerships to construct public infrastructure to support quality development
3. Foster Employment growth with strong wage opportunities through attraction of new businesses and expansion of existing businesses
4. Ensure city processes are business friendly and do not create barriers to development
5. Explore preservation, reinvestment, and redevelopment possibilities within the Historic Village
6. Provide greater clarity around when and how to use City Assistance for projects
7. Strengthen quality of life within Dayton through enhancement of recreational opportunities
8. Use Economic Development resources to promote a full range of housing choices within Dayton

MINUTES OF THE JULY 21, 2026
CITY OF DAYTON, MINNESOTA
ECONOMIC DEVELOPMENT AUTHORITY MEETING

Call to Order

Huttner called the meeting to order at 7:30 AM on July 21, 2026.

Roll Call

Present: Scott Salonek (departed meeting at 9:02 AM), Shawn Luther (departed meeting at 9:18 AM), Tim Huttner, Jack Bernens, David Fashant, David Anderson, and John Weber

Absent:

Also, in attendance: Jon Sevald, Executive Director; Jeff LaFavre, IAG Commercial; Blake Hansen, IAG Commercial; Amanda Johnson, EDA Attorney

Approval of the Agenda

Motion to approve the agenda was made by Fashant and seconded by Weber. The motion carried 7-0.

Consent Agenda

A. Approval of Minutes, June 16, 2026

B. EDA Treasurer's Report

C. Summary of Non-Residential inquiries

Fashant inquired about the taxes from the county, and why they were not reflected. Sevald will review and update.

Motion to approve the agenda was made by Bernens and seconded by Fashant. The motion carried 7-0.

Open Forum

No members of the public were present online or in person.

Old Business

A. Damaged/Abandoned Utility Boxes

No updates. The EDA voted to remove this item from future agendas.

B. Sidewalk Repairs in Old Village

Sidewalks in Old Town were confirmed replaced within the prior two weeks. The EDA voted to remove this item from the agenda, noting the project had been pending for approximately six years.

C. Railroad Spur

No updates. Item to remain on the agenda.

D. Lent Property

The property continues to be marketed for sale. LaFavre shared some inquiries have been received, described as primarily coming from neighboring property owners, with nothing substantive to report.

E. Robinson Street Tax Forfeit Property
The Robinson Street property was addressed in the closed session held later in the meeting.

F. Dayton Parkway Tax Forfeit Property
The Dayton Parkway property was addressed in the closed session held later in the meeting.

G. Balsam Lane Signage
Sevald noted that work remains to be completed to prepare the easement document for execution by Raintree. No new substantive updates were reported.

H. Sign Ordinance
No updates. Huttner noted that the Sign Ordinance item was placed on the agenda at the request of the Mayor and recommended confirming with him before removing it. Sevald agreed to follow up before pulling the item.

New Business

A. **CLOSED SESSION: Pursuant to MN Statute 13D.05, Subd 3(c)(3), a closed session shall be conducted to develop or consider offers or counteroffers for the purchase or sale of real or personal property located at: 180XX Territorial Road, Dayton, MN 55369, PID: 31-120-22-13-0010.**

   Motion to enter closed session was made by Luther and seconded by Anderson. Motion carried 7-0.

The EDA returned to open session following the closed session.

B. CLOSED SESSION: Pursuant to MN Statute 13D.05, Subd 3(c)(3), a closed session shall be conducted to develop or consider offers or counteroffers for the purchase or sale of real or personal property located at: 183XX Robinson Street, Dayton, MN 55369, PID: 31-121-22-31-0056.

The EDA returned to open session following the closed session.

C. Local Affordable Housing Aid (LAHA) Policy
Sevald provided an overview of the Local Affordable Housing Aid (LAHA) program, created by the Legislature in 2024. Dayton became eligible in 2025 upon surpassing a population of 10,000. The state allocated $73,000 to Dayton in 2025 and $63,000 in 2026, with funds required to be spent within four years of receipt. Eligible uses include emergency rental assistance, support for nonprofits providing affordable housing services, and the construction, acquisition, rehabilitation, or financing of affordable housing.

Johnson added there is a wide range of possibilities but there are rules included with it. Johnson shared examples from surrounding cities.
Sevald noted that Cross Services had requested funds for their emergency assistance program, and that a resident had previously approached the City Council seeking rehabilitation assistance for a single-family home. Members expressed a preference for a broader, programmatic approach rather than responding to individual requests. The consensus was that more research was needed before committing funds to any particular use.

> *Motion to table the LAHA Policy discussion to a future meeting was made by Fashant and seconded by Anderson. Motion carried 7-0.*

Staff & Board Updates

A. Staff Updates

Sevald provided several updates.

Sevald also presented on two proposed moratoriums under consideration by the City Council, with a public hearing scheduled for July 28th:

Site Plan Review Moratorium: A proposed 6-month moratorium on site plan review for non-residential projects, prompted by concerns over a proposed warehouse adjacent to a mobile home park and an assisted living facility proposed near single-family homes. The Planning Commission recommended against the moratorium. The EDA discussed that its Dayton Parkway (triangle) property would fall under this moratorium, but noted the property is not adjacent to residential uses and therefore does not represent the problem the moratorium is intended to solve.

> *Motion to request an exemption from the site plan review moratorium for the EDA's triangle property was made by Weber and seconded by Bernens. Motion carried 4-0-1, with Fashant abstention.*

Preliminary Plat Moratorium: A proposed 6-month moratorium on acceptance and review of preliminary plats, intended to allow staff time to address a backlog of non-development work. Projects potentially affected include the EDA's Dayton Parkway property, Dayton Creek Addition, and Dubay Lake Preserve.

> *Motion to request an exemption from the preliminary plan moratorium for the EDA's property was made by Weber and seconded by Bernens. Motion carried 4-0-1, with Fashant abstention.*

Next Meeting: August 18, 2026 at 7:30 a.m.

B. EDA Member Updates

No member updates.

Adjourn

Motion to adjourn made by Bernens and seconded by Fashant. The motion passed 5-0.

The meeting was adjourned at 10:01 AM.

GL NUMBER	DESCRIPTION	2026 AMENDED BUDGET	BEG. BALANCE 01/01/2026	ACTIVITY FOR MONTH 07/31/2026	YEAR-TO-DATE THRU 07/31/26	END BALANCE 07/31/2026
Fund 225 - EDA						
Assets						
225-00000-10100	Cash		872,952.40	11,128.38	(773,771.83)	99,180.57
225-00000-10450	Interest Receivable		0.00	0.00	0.00	0.00
225-00000-10500	Taxes Receivable - Current		0.00	0.00	0.00	0.00
225-00000-11500	Accounts Receivable		125.00	0.00	0.00	125.00
225-00000-15000	Due from Other Funds		0.00	0.00	0.00	0.00
TOTAL ASSETS			873,077.40	11,128.38	(773,771.83)	99,305.57
Liabilities						
225-00000-20200	Accounts Payable		0.00	(1,371.62)	0.00	0.00
225-00000-20800	Due to Other Governments		775,127.70	0.00	(775,127.70)	0.00
225-00000-21500	Accrued Interest Payable		1,000.00	0.00	0.00	1,000.00
225-00000-22500	Due to Other Funds		300,000.00	0.00	0.00	300,000.00
TOTAL LIABILITIES			1,076,127.70	(1,371.62)	(775,127.70)	301,000.00
Fund Equity						
225-00000-25300	Unreserved Fund Balance		(203,050.30)	0.00	0.00	(203,050.30)
TOTAL FUND EQUITY			(203,050.30)	0.00	0.00	(203,050.30)
Revenues						
225-40100-31012	EDA Property Tax Levy	25,000.00		12,500.00	12,500.00	12,500.00
225-40400-33431	LOCAL AFFORDABLE HOUSING AID-STATE	0.00		0.00	0.00	0.00
225-40700-36210	Interest Earnings	0.00		0.00	1,711.26	1,711.26
225-40700-39000	Other Financing Sources	0.00		0.00	125.00	125.00
225-40700-39101	Sales of General Fixed Assets	0.00		0.00	0.00	0.00
225-40700-39200	Interfund Operating Transfers	0.00		0.00	0.00	0.00
TOTAL REVENUES		25,000.00		12,500.00	14,336.26	14,336.26
Expenditures						
225-41710-50210	Operating Supplies	0.00		0.00	1,053.61	1,053.61
225-41710-50300	Professional Srvs	0.00		0.00	7,478.70	7,478.70
225-41710-50308	Contract Services	0.00		0.00	0.00	0.00
225-41710-50370	Property Tax Payments	0.00		0.00	4,346.08	4,346.08
225-41710-50430	Miscellaneous	0.00		0.00	0.00	0.00
225-41710-50510	Land	0.00		0.00	102.00	102.00
225-41900-50610	Interest	0.00		0.00	0.00	0.00
TOTAL EXPENDITURES		0.00		0.00	12,980.39	12,980.39

ITEM:
Discussion – Railroad Spur

APPLICANT/PRESENTERS:
Jon Sevald, Executive Director

PREPARED BY:
Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:
In September 2024, the EDA expressed interest in having a railroad spur in Dayton to attract manufacturers. In 2024, Staff discussed with BNSF who suggested creating a BNSF certified site. Typically includes 50-100+ acres. Becker (67-acres) is the only certified site in Minnesota. BNSF stated that users are typically heavy industrial.

In August 2025, Chair Huttner and Staff met with Cemstone. Cemstone has a planned railroad spur, but no timeline as to when it would be installed (not in the foreseeable future).

In September 2025, Staff discussed with MnDOT if there are any similar projects (public owned, private operated). The Des Moines MPO owns a 40-acre Transload Facility (truck to rail). Total project cost was $25 million ($11.2 million received in grants). According to its feasibility study, the facility estimated 7 daily train and 42 daily truck loads by the 3rd year, and an estimated annual revenue of $250,000 - $300,000.[1] MnDOT suggested that if to move forward, the EDA needs commitments of number of train loads from users to justify service by BNSF. A feasibility study is needed. MnDOT administers the Minnesota Rail Service Improvement Grant program. In 2024, 19 applicants applied. Eleven received funding from $246,000 - $1.9 million. A feasibility study is required to apply for the grant ($10,000 - $30,000).

In September/October 2025, BNSF provided Staff with a list of questions for customers, a list of 12 transload facilities in Minnesota, and a list of engineering firms. The nearest transload facilities are in Fridley (Murphy Warehouse Company – 15 acres, and Commercial Transload of Minnesota – 4 acres). TKDA estimates a Transload facility would cost $8-$20 million.

In fall 2025, Staff reached out to Dayton freight companies and manufacturers. MTL, Graco, Adessa, States Manufacturing, and Maas HVAC do not need rail.

In October 2025, BNSF's list of questions was shared with EDA members to follow up with potential rail customers.

In October 2025, Staff discussed with a building materials supplier in Rogers who has a rail spur and a crane, if they'd share their facility with Dayton businesses (no).

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1 Des Moines Rail Transload Feasibility Study, June 28, 2014. Page 19, page 26.

In December 2025, President Huttner shared BNSF's list of questions with area city officials. Staff forwarded the same to City Council, EDA, Planning Commission, and Park Commission members. Staff received responses from Rogers (none), Maple Grove (suggested I-94 Chamber of Commerce), and St. Michael(?) (has competing facility).

In January 2026, EDA members Huttner, Luther, and Weber (and Staff) met with TKDA, Cemstone and King Solutions to discuss the spur. King Solutions confirmed they cannot participate in cost-share. TKDA provided (below). Information has been provided to Cemstone.

<u>Rail Spur Feasibility Study: $10,000 - $12,000</u>

1. Preparation of 2-3 conceptual track layout(s) based on programming information provided
2. Preparation of scope of work and high level cost estimate
3. RR coordination/client review calls up to 8 hours

<u>Optional Additional Services (Grant Application Preparation and Submittal): $10,000 – $15,000</u>

1. Collect data
2. Develop required files and draft application content
3. Coordinate draft review and incorporate comments
4. Prepare final application files and transfer to submitting authority

There are no updates since the February 17, 2026 EDA meeting.

<u>RELATIONSHIP TO COUNCIL GOALS:</u>

<table>
<tr><th>Strategic Initiative</th><th>Goal</th><th>Key Outcome Indicator</th><th>Target</th><th>Action Items</th></tr>
<tr><td rowspan="3">Encourage Diversity and Manage Thoughtful Development</td><td>Create a variety of housing options</td><td>• Review housing type and lot size by %'s</td><td>• Proportionate housing types available.</td><td rowspan="3">• A-3 District
• Begin work on Comp Plan
• Develop Rental Housing Ordinance
• Seek out businesses more often.
• Work with EDA to find niche businesses that are not in surrounding communities
• Complete Large Area Plan</td></tr>
<tr><td>Encourage healthy lifespan of both residential and commercial operations</td><td>• Total amount of Funding provided
• Number of rentals available and where they are located.</td><td>• Maintain grant program.
• Manage number of rentals.</td></tr>
<tr><td>Healthy Commercial Sector with services and job growth</td><td>• Net difference of businesses movement including their employment.</td><td>• Maintain a positive difference in business movement.</td></tr>
</table>

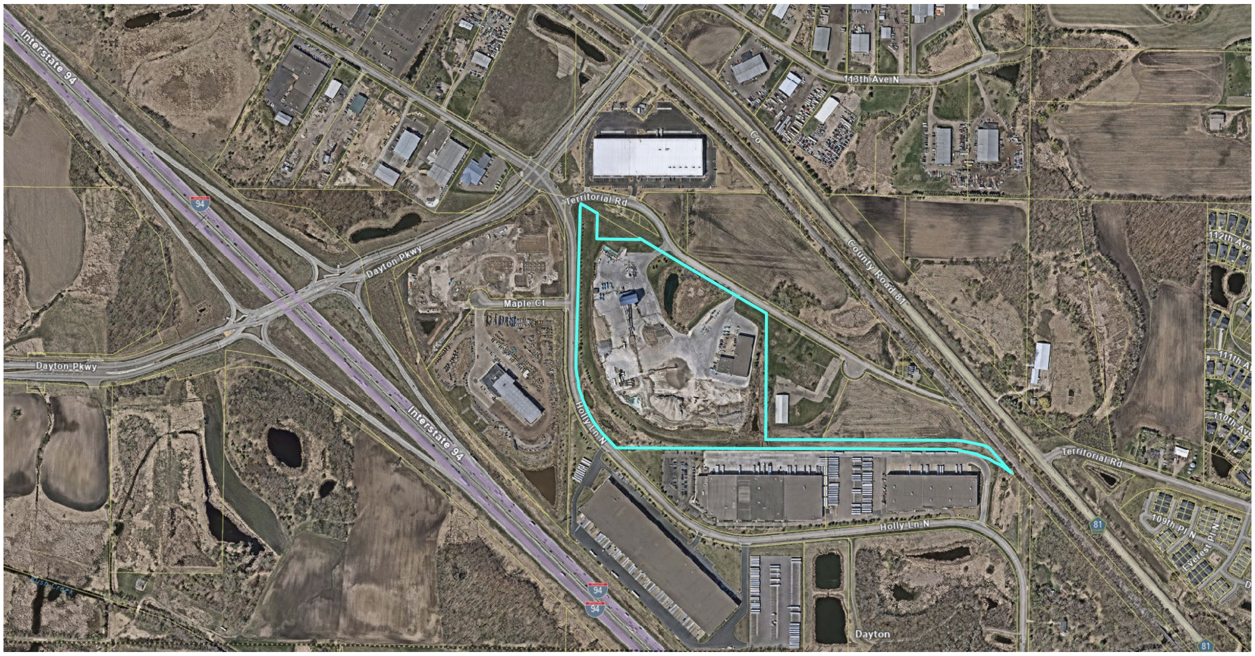
<u>ROLE OF THE EDA:</u>

None at this time

<u>STAFF RECOMMENDATION:</u>

Staff recommends that Cemstone take the lead in this venture, being the spur will be on their property, and that there are no known businesses interested.

ATTACHMENT(S):
Aerial Photo



Meeting Date: Aug 18, 2026
Item Number: 5B

ITEM:
Lent Property Concept Plan

APPLICANT/PRESENTER:
Jon Sevald, Executive Director

PREPARED BY:
Jon Sevald, Executive Director

POLICY DECISION / ACTION TO BE CONSIDERED:
N/A

BACKGROUND:
In January 2025 the EDA purchased the 1.2 acre Lent properties, located at the southeast corner of Robinson Street and Richardson Avenue in the Old Village. Stantec prepared four concept plans for redevelopment. The EDA chose option #4 consisting of 2,700sf restaurant (85 seats), 5,000sf retail/office with four apartment units above, and a 55-stall parking lot which doubles as floodplain storage.

In October 2025, a construction cost estimator estimated a total construction cost of $7.4 million ($450 - $480 p/sq ft).

In October 2025, the EDA agreed to list the properties for sale for $259,000. IAG listed the properties in November 2025.

In February 2026, IAG presented the property at a national real estate conference. The project received interest from investors because of its river frontage, but concerns regarding flood plain mitigation.

IAG has received 40+ calls, but no offers. IAG and Staff have had positive conversations with one developer. There are no updates since the May 19, 2026 EDA meeting.

CRITICAL ISSUES:
None.

RELATIONSHIP TO COUNCIL GOALS:

Strategic Initiative	Goal	Key Outcome Indicator	Target	Action Items
Encourage Diversity and Manage Thoughtful Development	Create a variety of housing options	• Review housing type and lot size by %'s	• Proportionate housing types available.	• A-3 District • Begin work on Comp Plan • Develop Rental Housing Ordinance
	Encourage healthy lifespan of both residential and commercial operations	• Total amount of Funding provided • Number of rentals available and where they are located.	• Maintain grant program. • Manage number of rentals.	

	Healthy Commercial Sector with services and job growth	• Net difference of businesses movement including their employment.	• Maintain a positive difference in business movement.	• Seek out businesses more often. • Work with EDA to find niche businesses that are not in surrounding communities • Complete Large Area Plan

BUDGET IMPACT:
N/A

RECOMMENDATION:
None.

ATTACHMENT(S):
Concept Plan

1001.065 SUBD. 3 - GENERAL MIXED USE DISTRICT 3 (GMU-3) HISTORIC VILLAGE - DESIGN GUIDELINES:

1001.065 SUBD. 3 (7A-E) SETBACK -

BUILDING:
- FRONT YARD: MINIMUM 0 FEET FROM ROW - MAXIMUM 10 FEET FROM ROW
- SIDE YARD: 0 FEET MINIMUM
- REAR YARD: 20 FEET MINIMUM

PARKING:
- FRONT YARD: MINIMUM 0 FEET FROM ROW - MAXIMUM 10 FEET FROM ROW
- SIDE YARD: 0 FEET MINIMUM
- REAR YARD: 5 FEET MINIMUM

1001.065 SUBD. 3 (7F) SITE DESIGN -

BUILDING FRONTAGE. AT LEAST 65% OF THE STREET FRONTAGE OF ANY LOT SHALL BE OCCUPIED BY BUILDING FACADES AT THE BUILD-TO- LINE. IN ADDITION, ON CORNER LOTS, A MINIMUM OF THE FIRST 50 FEET OF THE LOT FRONTAGE ON EITHER SIDE OF A STREET INTERSECTION MUST BE OCCUPIED BY BUILDINGS SET AT THE PROPERTY LINE. PARKING OR OTHER SPACE OPEN TO THE SKY IS NOT ALLOWED WITHIN THIS FIRST 50 FEET.

ON LOTS WITH MORE THEN ONE STREET FRONTAGE (CORNERS), THE BUILDING SHALL BE LOCATED TO MEET THE 65% STREET FRONTAGE REQUIREMENT ON BOTH STREETS.

THE BUILDING FRONTAGE REQUIREMENT MAY BE MET EITHER WITH AN ENCLOSED BUILDING OR AN ARCADE CONSTRUCTED WITH A PERMANENT ROOF OF THE SAME MATERIALS AS THE REMAINDER OF THE BUILDING.

AT LEAST THE FIRST AND SECOND FLOOR MUST MEET THE BUILDING FRONTAGE REQUIREMENT. ARCADES AT STREET LEVEL AND TERRACING OF BUILDING FACADES ABOVE THE SECOND FLOOR ARE ENCOURAGED.

BUILDINGS WITH FRONTAGE ON A PRIMARY STREET SHALL ORIENT FRONT FACADES PARALLEL TO THE PRIMARY STREET.

ALIGN THE BUILDING FRONT FACADE WITH ADJACENT BUILDINGS TO PROMOTE VISUAL CONTINUITY FROM THE PUBLIC RIGHT-OF-WAY, UNLESS SITE OR USE CONSTRAINTS ARE PROHIBITIVE.

BUILDINGS SHALL HAVE A CLEARLY DEFINED PRIMARY PEDESTRIAN ENTRANCE AT STREET LEVEL.

MAXIMUM IMPERVIOUS COVERAGE. THE TOTAL LOT COVERAGE SHALL NOT EXCEED 80% IMPERVIOUS.
TOTAL SITE - 52,023 SF | TOTAL IMPERVIOUS - 32,500 SF (63%) | TOTAL PERVIOUS - 20,023 SF (37%)

BUILDING HEIGHTS
THE MINIMUM BUILDING HEIGHT SHALL BE 25 FEET OR TWO STORIES WHILE THE MAXIMUM BUILDING HEIGHT ON ALL BUILDINGS SHALL BE 45 FEET OR 4 STORIES.

1001.065 SUBD. 3 (8) + 1001.19 PARKING -

RETAIL STORES. FIVE SPACES FOR EACH 1,000 SQUARE FEET OF FLOOR AREA.
- 5,000 SF PROPOSED RETAIL = 25 PARKING SPACES

RESTAURANT, CAFÉ, BAR. ONE SPACE FOR EACH 2.5 SEATS BASED ON DESIGN CAPACITY AND 1 SPACE PER EMPLOYEE BASED ON LARGEST WORKING SHIFT OR AS DETERMINED BY THE BUSINESS PLAN AND APPROVED BY THE CITY.
- 85 PROPOSED SEATS = 34 PARKING SPACES | 6 EMPLOYEES = 6 PARKING SPACES (40 TOTAL PARKING SPACES)

MULTI-FAMILY RESIDENTIAL. TWO PARKING SPACES PER UNIT, 1 MUST BE ENCLOSED, PLUS AN ADDITIONAL ½ PARKING SPACE PER EVERY 5 DWELLING UNITS FOR VISITORS.
- 4 PROPOSED UNITS = 8 PARKING SPACES | 4 SPACES ARE ENCLOSED

A REDUCTION OF UP TO 10% IN THE NUMBER OF REQUIRED OFF-STREET PARKING SPACES MAY BE APPROVED BY THE ZONING ADMINISTRATOR IN THE CASE OF SHARED PARKING AREAS BETWEEN ABUTTING USES.
- 73 REQUIRED PARKING SPACES X 10% = 7 PARKING SPACES REDUCED

ON-STREET PARKING SHALL COUNT TOWARDS REQUIRED PARKING.
- 7 ON STREET PARKING SPACES PROPOSED

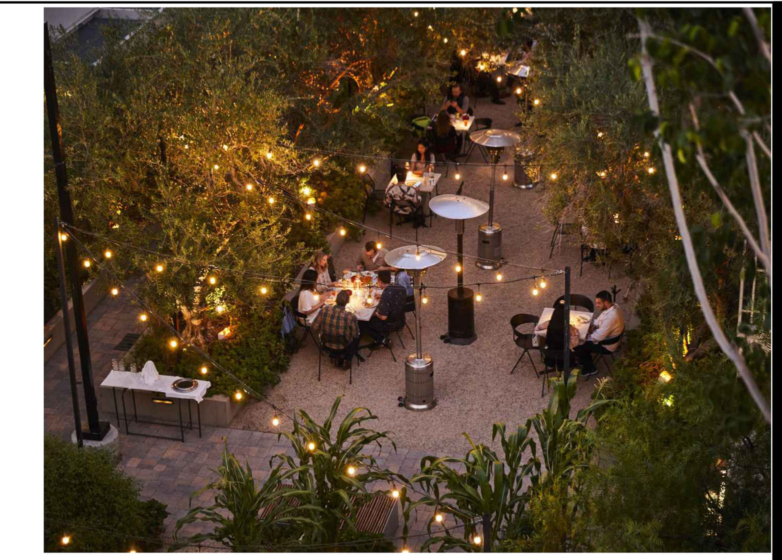
PARKING COUNTS: 66 REQUIRED PARKING SPACES (3 ADA STALLS) - 66 PARKING SPACES PROPOSED (3 ADA STALLS PROPOSED)

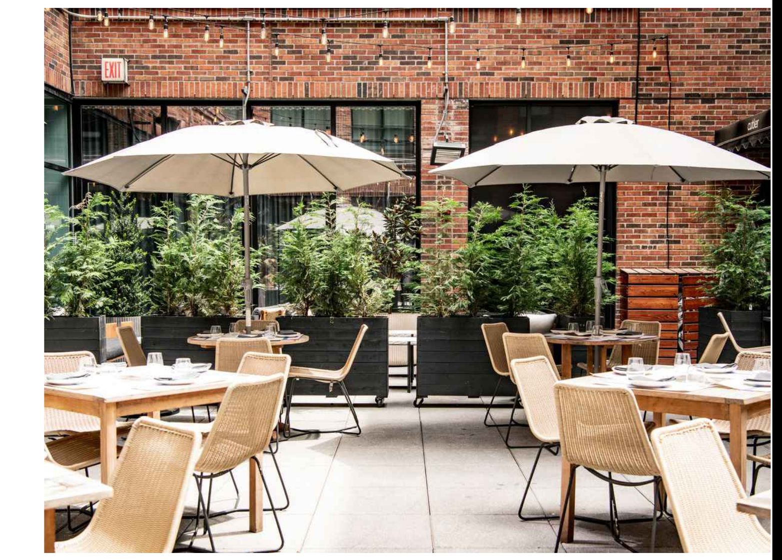
1001.065 SUBD. 3 (12) LANDSCAPE -

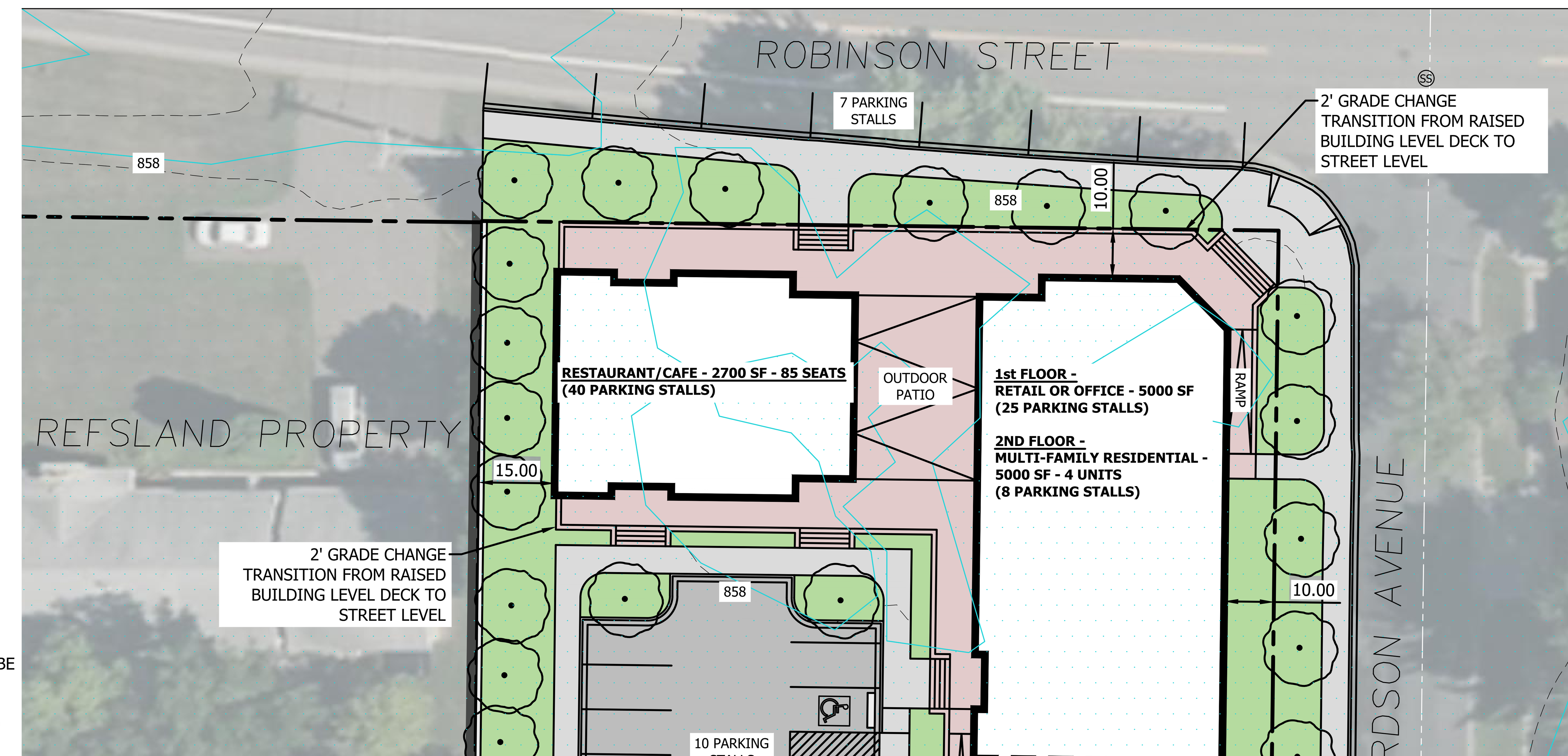
AT LEAST 10% OF THE TOTAL LAND AREA WITHIN THE PERIMETER OF PRIVATE PARKING AND DRIVEWAY AREAS SHALL BE LANDSCAPED.
LAND WITHIN PERIMETER OF PARKING AND DRIVEWAY - 26,000 SF | LANDSCAPED AREA - 9,250 SF (35%)

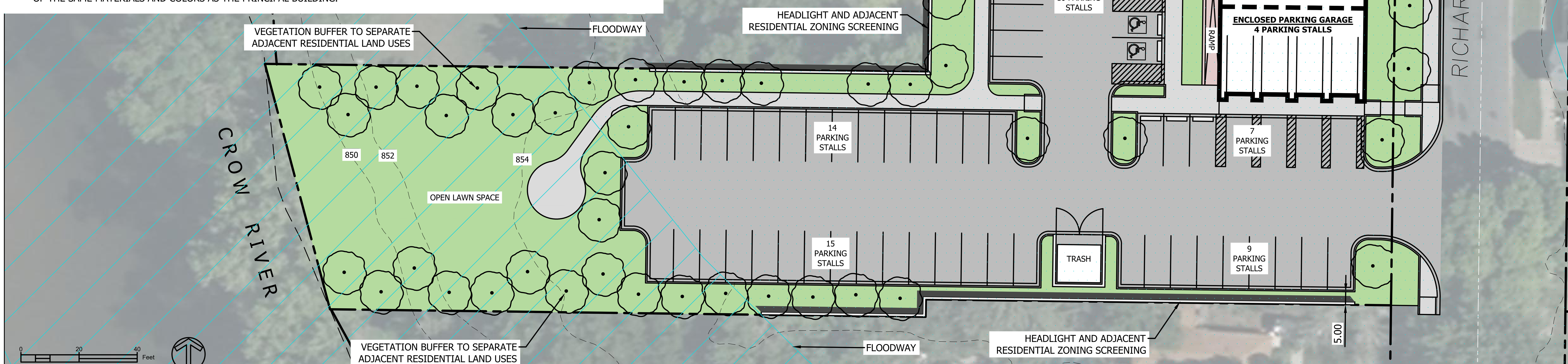
HEADLIGHT SCREENING. THE LIGHT FROM AUTOMOBILE HEADLIGHTS AND OTHER SOURCES SHALL BE 100% SCREENED WHENEVER IT MAY BE DIRECTED ONTO ADJACENT RESIDENTIAL WINDOWS.

TRASH ENCLOSURE SERVICE STRUCTURE. ALL EXTERIOR TRASH ENCLOSURES OR OTHER ACCESSORY STRUCTURES SHALL BE CONSTRUCTED OF THE SAME MATERIALS AND COLORS AS THE PRINCIPAL BUILDING.









Stantec

Stantec
7208 West 80th Street, Suite 201
Overland Park, KS 66204
Tel. 913-905-3415
www.stantec.com

Consultants

Legend
- FLOODWAY
- FLOODPLAIN
- PROPERTY BOUNDARY

Notes

Revision | By | Appd. | YY.MM.DD

Issued | By | Appd. | YY.MM.DD

File Name: | Dwn. | Chkd. | Dsgn. | YY.MM.DD

Permit-Seal

Client/Project
City of Dayton, MN

Lent Property Area Concept Plan

Dayton, MN

Title
CONCEPT PLAN

Project No. 227707899 | Scale

Drawing No. L102 | Sheet 2 of 3 | Revision 0

ORIGINAL SHEET - ANSI D

CITY OF Dayton Live the difference.

Meeting Date: Aug 18, 2026
Item Number: 5C

ITEM:
Robinson Street Tax Forfeit property

APLICANT/PRESENTERS:
Jon Sevald, Executive Director

PREPARED BY:
Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:
In September 2025, Hennepin County conveyed a tax forfeit property (PID: 31-121-22-31-0056) to the city. On November 13, 2025, the City Council conveyed it to the EDA.[1] In November 2025, the EDA held a Closed Session, agreeing on a for sale price. On behalf of the EDA, IAG Commercial listed the property for sale in June 2026.

The 40' X 150' property is zoned R-O Old Village Residential and guided Mixed Use in the 2040 Comprehensive Plan.

One Letter of Intent and one verbal offer have been received. A draft Purchase Agreement will be reviewed in Closed Session.

CRITICAL ISSUES:
None.

RELATIONSHIP TO COUNCIL GOALS:

Strategic Initiative	Goal	Key Outcome Indicator	Target	Action Item
Encourage Diversity and Manage Thoughtful Development	Create a variety of housing options	• Review housing type and lot size by %'s.	• Proportionate housing types available.	A) A-3 District B) Begin work on Comp Plan C) Develop Rental Housing Ordinance D) Seek out businesses more often E) Work with EDA to find niche businesses that are not in surrounding communities F) Complete Large Area Plan
	Encourage healthy lifespan of both residential and commercial operations	• Total amount of Funding provided. • Number of rentals available and where they are located.	• Maintain grant program. • Manage number of rentals.	
	Healthy Commercial Sector with services and job growth	• Net difference of businesses movement including their employment	• Maintain a positive difference in business movement	

ROLE OF THE EDA:
None.

RECOMMENDATION:

[1] Resolution 82-2025

None.

ATTACHMENT(S):

Aerial map

ITEM:
Dayton Parkway Tax Forfeit property

APLICANT/PRESENTERS:
Jon Sevald, Executive Director

PREPARED BY:
Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:
On November 13, 2025, the City Council approved an interagency loan to the EDA for $300,000 + 4% interest toward purchasing tax forfeit property PID: 31-120-22-13-0010 commonly referred to as the "Triangle Property".[1]

After the EDA purchased the Triangle property from Hennepin County, the EDA plated the property as an outlot (6.5 acres) and listed the property for sale. The EDA held a Closed Session in November 2025, agreeing to solicit offers ($) with development proposals. On February 25, 2026, the deed was recorded by Hennepin County. On April 28, 2026, the City Council approved the plat "Dayton Difference" consisting of a 6.65 acre outlot, right-of-way and Utility & Drainage easements. The plat was recorded on June 10, 2026.

The city has received many calls and emails about this property for several years. The property is zoned **B-3 General Business** and guided Commercial in the 2040 Comprehensive Plan. B-3 uses include:[2]

Permitted Uses (summarized)	**Conditional/Interim Uses (summarized)**
Retail / Service	Veterinarian / Kennel
Office	Conference Center / Arena
Clinics	Automobile Sales (outdoor sales lot)
Schools / Religious Institutions	Bowling Alley / Theater
Restaurants (w/o drive-thru)	Hospital
Minor Auto Repair	Mini-storage
Boat Sales (indoor)	Nursery
Hotel / Motel	Restaurant (w/drive-thru)
	Communication Tower
	Mining & Soil Processing

45' (3-stories)	Maximum structure height
50%	Maximum building coverage
80%	Maximum Impervious surface coverage

IAG listed the property for sale in March. On April 21, 2026, the EDA discussed two Letters of Intent (LOI) in Closed Session, choosing to wait to take action until more LOI's are received. The EDA held a Closed Session on June 16, 2026, selecting two developers to interview at a

[1] Resolution 82-2025
[2] City Code 1001.061, Subd 3 (*General Business District (B-3)*)

Closed Session on July 21, 2026. The August 18, 2026 Closed Session will be to review a draft Purchase Agreement.

RELATIONSHIP TO COUNCIL GOALS:

Strategic Initiative	Goal	Key Outcome Indicator	Target	Action Items
Encourage Diversity and Manage Thoughtful Development	Create a variety of housing options	Review housing type and lot size by %'s	• Proportionate housing types available.	A) A-3 District. B) Begin work on Comp Plan C) Develop Rental Housing Ordinance D) Seek out businesses more often. E) Work with EDA to find niche businesses that are not in surrounding communities. F) Complete Large Area Plan.
	Encourage healthy lifespan of both residential and commercial operations	• Total amount of Funding provided. • Number of rental available and where they are located.	• Maintain grant program. • Manage number of rentals.	
	Healthy Commercial Sector with services and job growth	• Net difference of businesses movement including their employment.	• Maintain a positive difference in business movement.	

ROLE OF THE EDA:
None.

RECOMMENDATION:
None.

ATTACHMENT(S):
Aerial photo

ITEM:
Balsam Lane Signage

APLICANT/PRESENTERS:
Jon Sevald, Executive Director

PREPARED BY:
Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:
During the October 21, 2025 EDA meeting, the EDA discussed the need for a monument sign at the north and south end of Balsam Lane, with advertising for Balsam businesses. Staff spoke with property owners on the north and south end if they would provide the city with an easement for a city sign. Raintree Plaza has agreed verbally. This would be a city gateway sign, replacing the existing Raintree sign.

Staff reached out to five sign venders for price quotes based on Sign Code requirements and received one response. Signart submitted a quote, $90,270 - $98,401 depending if using masonry vs faux masonry. The dynamic display has about a 12-year lifespan.

During the November 18, 2025 EDA meeting, the EDA asked for two options, (1) following the sign code, and (2) not following the sign code (e.g. big enough to include static advertising for 30 businesses + dynamic display). Signart responded that adding 30 business plates would add 22' onto the sign height (38' total sign height). The sign would have too much information for drivers to process.

During the December 16, 2025 EDA meeting, the EDA preferred the faux brick option, 16' sign height, and suggested charging a fee to Balsam businesses to advertise on the sign. Staff will contact Balsam businesses to gage what an acceptable fee is. Assuming the sign costs $100,000 ($8,300 p/year, 12-years), a fee would be $300 per year if 30 businesses participated.

During the EDA's May 19th budget discussion, the EDA indicated it would not include funding in the 2027 EDA levy. Funding will need to come from EDA reserve funds.

The EDA Attorney has drafted a sign easement agreement for the owner, Tony Maarouf (Raintree Plaza) and the EDA to sign. In summary:

- Easement granted at no cost to EDA.
- Easement is in perpetuity until EDA agrees to remove sign.
- EDA owns and maintains sign.
- Raintree maintains easement area.
- Raintree pays property taxes for easement area.
- Raintree receives free advertising (logo or time on dynamic display (TBD).

The EDA and City Council will need to consider an Advertising Policy for use of the city's sign.

For comparison, Champlin and Ramsey lease land to sign companies, who own and maintain signs with dynamic displays. The city is provided Public Service Announcements (PSA), and preference is given to local businesses (Ramsey). The EDA should consider something similar vs. managing advertising on its own (Staff does not have capacity to manage).

CRITICAL ISSUES:

Budget	This is an unbudgeted expense.
Administration	City staff does not have the expertise or time to market and manage advertisements. EDA should consider leasing sign to an ad company. Alternatively, staff can administer, and see how it goes.

RELATIONSHIP TO COUNCIL GOALS:
N/A

ROLE OF ECONOMIC DEVELOPMENT AUTHORITY:
None.

RECOMMENDATION:
Acquire the easement now (2026). Remove Raintree sign and install EDA sign when funds available (2027). Consider options for administration (staff vs. sign vendor).

ATTACHMENT(S):
Site Photo
Sign Plan

Raintree Plaza sign, (Oct 14, 2025)

New Monument Sign

Ⓐ Sign Specifications:
Monument Sign - Option 1 (Faux Stone Base)

SCALE: 3/8" = 1'-0"

Internally Illuminated (LED) Double Sided Monument Sign
with Routed Aluminum Face and Push Thru Letters
and (Full Color) Electronic Message Center

Fabricated Aluminum Frame

① Static Top Header:
Retainers and Returns:
Aluminum, painted (beige)

Faces:
Routed Aluminum Faces, painted (beige)
with Translucent Acrylic Push Thru 1/2" Letters
and Applied Vinyl Overlay (dual-color dark blue, light blue, green)

2'-8" H. x 6'-0" W. Monument Static Sign: 16 sq. ft.

② Dynamic Electronic Message Center:
Full Color Display

8'-0" H. x 6'-0" W. Monument EMC Sign: 48 sq. ft.

③ Base:
Aluminum Clad Base, with
Applied Faux Stone Tiles (by others)
and Decorative Aluminum Top Cap, painted (tan)

Quantity: (1 Sign)

Sign Code:
Maximum Static Sign Area: 16 sq. ft.

Maximum Electronic Message Sign Area: 48 sq. ft.

Maximum Sign Height: 16'-0" H.

Proposed Sign Height: 16'-0" H.

Proposed Sign:
2'-8" H. x 6'-0" W. Monument Static Sign: 16 sq. ft.
8'-0" H. x 6'-0" W. Monument Dynamic EMC Sign: 48 sq. ft.

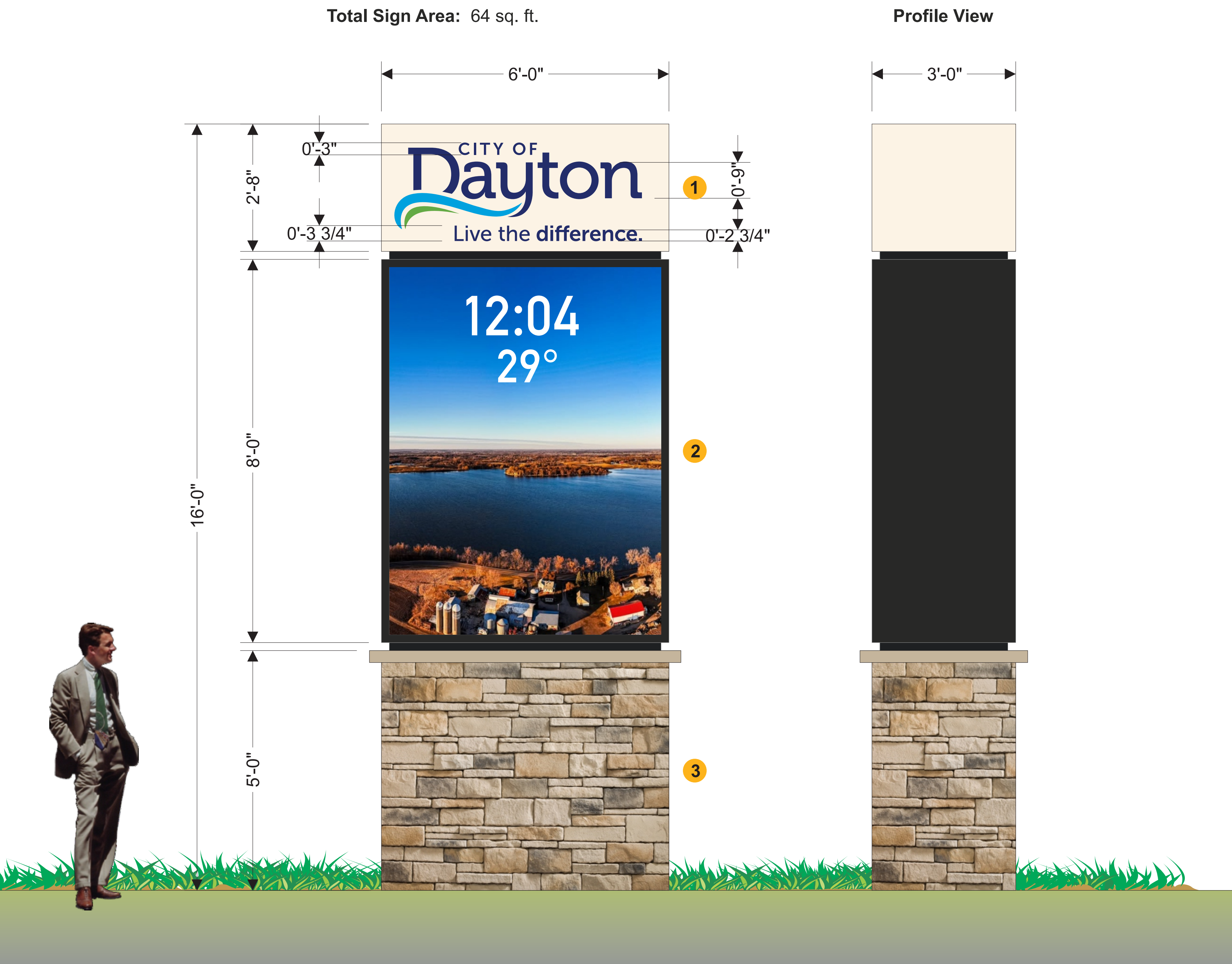
Total Sign Area: 64 sq. ft.

Colors:

- Dark Blue
- Light Blue
- Green
- Beige

Ⓐ **Proposed Sign:**
2'-8" H. x 6'-0" W. Monument Static Sign: 16 sq. ft.
8'-0" H. x 6'-0" W. Monument EMC Sign: 48 sq. ft.

Total Sign Area: 64 sq. ft.



CUSTOMER INFORMATION

Customer: **City of Dayton, MN**

Address: **Dayton, MN**

Sales: **Jesse Yungner**

DRAWING INFORMATION

File Name: **City of Dayton, MN Monument Sign REV B 11-26-25**

Date: **REV A 11-24-25**
Revisions: **REV B 11-26-25**

Scale: **3/8" = 1'-0" at 11" x 17"**
Page: **1 of 2**
Designer: **Jeff Weispfenning**

Customer/ LL Approval:

SignArt Company
Eau Claire, WI
715-834-5127
800-235-5178

St. Paul, MN
651-688-0563
800-699-0563
www.signartusa.com

**EASEMENT AGREEMENT FOR USE AND
MAINTENANCE OF OUTDOOR SIGN STRUCTURE**

THIS SIGN EASEMENT AGREEMENT (the "Agreement) is made as of the __ day of _____, 2026, by and between **Anton & Family LLC**, a Domestic Limited Liability Company ("Grantor") and C**ity of Dayton Economic Development Authority**, a Minnesota municipal corporation ("Grantee").

WHEREAS, Grantor is the fee title holder of that certain real property located in Hennepin County, Minnesota legally described on the attached Exhibit A (the "Grantor Parcel"); and

WHEREAS, Grantee desires to erect a digital sign on the Grantor Parcel (the "Sign") that includes advertising for local businesses and organizations; and

WHEREAS, Grantor desires to include their logo on the Sign; and

WHEREAS, Grantor desires to grant and Grantee desires to obtain a permanent non-exclusive easement over, upon and across those portions of the Grantor Parcel to permit the use, maintenance, repair and replacement of the Sign on the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein, and for good and valuable consideration, the receipt of and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated as if fully set forth herein.

2. Grant of Easement. Grantor hereby grants to Grantee and its respective agents, contractors, and licensees: (i) a perpetual, non-exclusive easement for the limited purpose of the installation, use, maintenance, repair, and replacement of the Sign ("Sign Easement") (over,

under and upon the area depicted on the attached Exhibit B (the "Sign Easement Area"); and (ii) a perpetual, non-exclusive easement over, upon and across those portions of the Grantor Property for access and use of the Sign Easement Area (the "Access Easement"). Use of the Access Easement shall be only as necessary to access the Sign Easement Area as often as necessary for Grantee's Obligations as defined below.

3. Grantee's Obligations. Grantee shall be solely responsible for the installation, use, maintenance, repair, replacement, and removal of the Sign.

4. Sign Location and Dimensions. The Sign shall be located in the Sign Easement Area. The Sign shall be no larger than 64 square feet measuring 16 feet in height and 6 feet in width and shall comply with all applicable municipal ordinances and state laws.

5. Maintenance and Repair Costs. Grantee shall be responsible for any and all costs associated with the performance of Grantee's Obligations.

6. Maintenance of Easement Areas. Grantor shall, at Grantor's sole cost and expense, subject to Paragraph 2 above, at all times maintain the Sign Easement Area and Access Easements in good condition and repair and not block the existing views of the Sign.

7. Term and Termination. The term of this Agreement shall commence upon the date hereof and shall continue until such time as Grantor determines in their sole discretion to remove the Sign.

8. Covenants Running with the Land. All terms of this Agreement, including the benefits and burdens, shall run with the land and shall be binding upon and inure to the benefit of and be enforceable by Grantor and Grantee and their respective successors and assigns.

9. Indemnity; Nonliability.

a. Indemnity by Grantor. Grantor shall indemnify, defend and hold Grantee harmless from and against any and all losses, costs (including reasonable attorney's fees), liabilities, claims, injuries, deaths and damages to persons or property which at any time during the term of the easements granted under this Agreement may be suffered or sustained by any person or entity in connection with Grantor's activities conducted upon any portion of the Easement Area, unless caused by the negligence or misconduct of Grantee or its agents or employees. Grantor shall indemnify, defend and hold Grantee harmless from and against any and all losses, costs (including reasonable attorneys' fees), liabilities, claims, injuries, deaths and damages to persons or property which at any time during the term of the easements granted under this Agreement are caused by the negligence or misconduct of Grantor or its tenants, occupants, agents, employees, guests or invitees.

b. Indemnity by Grantee. Grantee shall indemnify, defend and hold Grantor harmless from and against any and all losses, costs (including reasonable attorneys' fees), liabilities, claims, injuries, deaths and damages to persons or property which at any time during the term of the easements granted under this Agreement may be suffered or sustained by any person or entity in connection with Grantee's activities conducted upon any portion of the Easement Area, unless caused by the negligence or misconduct of Grantor or its agents or employees. Grantee shall indemnify, defend and hold Grantor harmless from and against any and all losses, costs (including reasonable attorneys' fees), liabilities, claims, injuries, deaths and damages to persons or property which at any time during the term of the easements granted under this Agreement are caused by the negligence or misconduct of Grantee or its tenants, occupants, agents, employees, guests or invitees.

10. Taxes. The owner of the Grantor Parcel shall be responsible for timely payment of all real estate taxes and assessments which may be levied on or attributable to the Sign Easement Area.

11. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Minnesota.

12. Entire Agreement. This Agreement sets forth the entire understanding of the parties and may not be changed except by a written document executed and acknowledged by all parties to this Agreement and duly recorded in the office of the County Recorder of Cass County, Minnesota.

13. Notices. Notices to any party to this Agreement shall be sent either by certified mail postage prepaid, return requested, or personal delivery, and addressed to Grantor at the Grantor Parcel address and if to Grantee to the Grantee Parcel address.

14. Waiver. No delay or omission by any of the parties hereto, or their successors and assigns, to exercise any right or power accruing upon any non-compliance or failure of performance by another party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by any of the parties hereto, or their successors or assigns, of any of the covenants, conditions or agreements hereof to be performed by another shall not be construed to be a waiver of any succeeding breach thereof or of any other covenant, condition or agreement herein contained.

15. Headings. The headings appearing in this Agreement are for convenience and reference only, and in no way define or limit the scope and content of this Agreement or in any way affect its provisions.

16. Severability. If any provisions, or portions thereof, of this Agreement, or the application thereof to any person or circumstances shall to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such provision, or portion

thereof, to any other or circumstances shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

[signature pages follow]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement to be effective as of the date first above written.

GRANTOR:

By:____________________________
Name: Anton Maarouf, Anton & Family LLC
Its: Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF __________)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2026, by ___________________, the ______________________ of ____, with authority and on behalf of the company.

____
Notary Public
My commission expires: ________

GRANTEE:
City of Dayton Economic Development Authority, a Minnesota Municipal corporation

____
Tim Huttner, President

____
Jon Sevald, Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF __________)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2026, by ____.

____
Notary Public
My commission expires: ________

EXHIBIT A

GRANTOR PARCEL

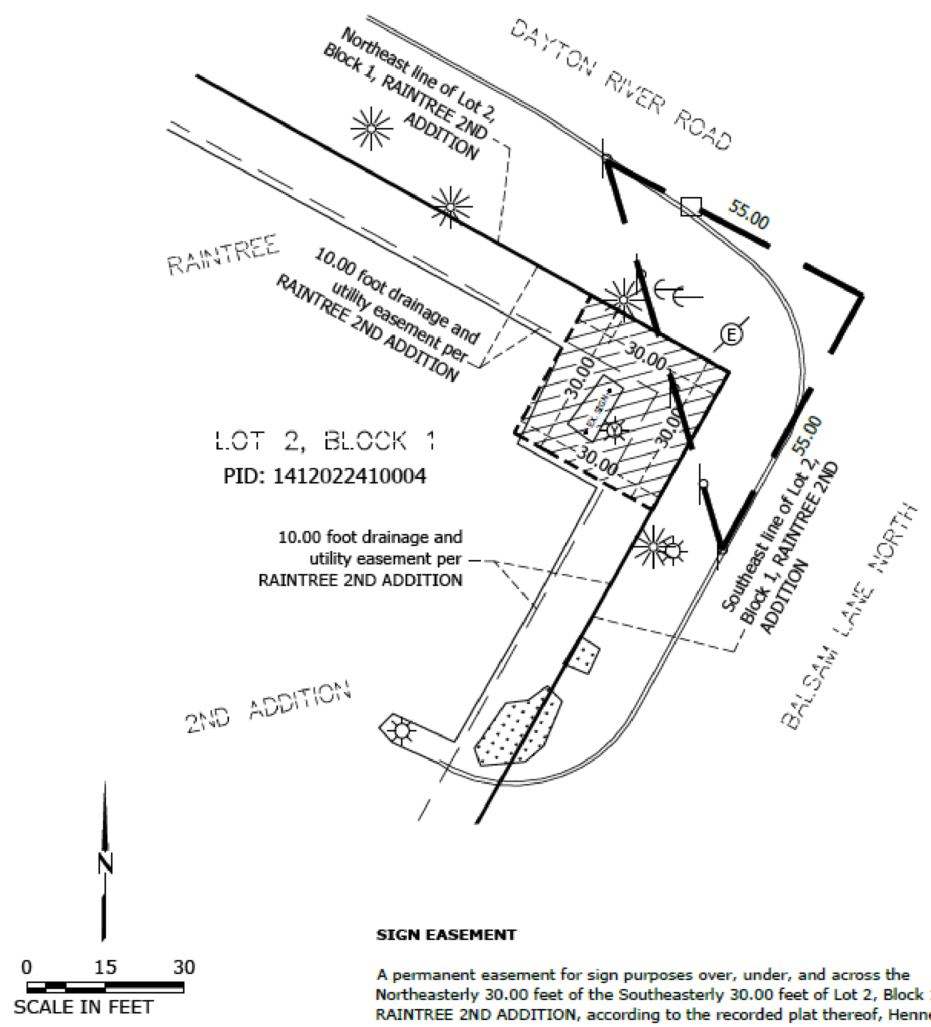
Lot 2, Block 1, RAINTREE 2ND ADDITION, according to the recorded plat thereof, Hennepin County, Minnesota.

PID: 14-120-22-41-0004

EXHIBIT B

EASEMENT AREAS LEGAL DESCRIPTION

DAYTON, MN



SIGN EASEMENT

A permanent easement for sign purposes over, under, and across the Northeasterly 30.00 feet of the Southeasterly 30.00 feet of Lot 2, Block 1, RAINTREE 2ND ADDITION, according to the recorded plat thereof, Hennepin County, Minnesota.

Sign Easement
(±900 s.f.)

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 LAND SURVEYOR UNDER THE LAWS OF THE STATE OF MINNESOTA.

PRINT NAME: DANIEL J. ROEBER

SIGNATURE: ______________________

DATE APRIL 27, 2026 LIC. NO. 43133

Stantec
Minneapolis Office
733 Marquette Ave
Suite 1000
Minneapolis, MN 55402
Phone: 612-712-2000
Website:www.stantec.com

NAME	193807672_V601.dwg
DRAWN	DJR
PROJ. NO.	193807672

Meeting Date: August 13, 2026
Item Number: 5F

ITEM:
Sign Ordinance

APLICANT/PRESENTERS:
Jon Sevald, Executive Director

PREPARED BY:
Jon Sevald, Executive Director

BACKGROUND/OVERVIEW:
President Huttner has inquired if the EDA is interested in recommending that the sign code be amended. The EDA Tabled this item at its December 16, 2025 and January 20, 2026 meetings to allow more time for EDA members to review.

The Sign Code was last amended in February 2025[1] related to:

- Monument signs; increased maximum height from 8' to 16'.
- Permits temporary off-premise signs.
- Removes explicit prohibition of "*any sign within the public right of way*."

During the February 17, 2026 EDA meeting, the EDA commented that the City Code is difficult to read, including the Sign Code, suggesting the Sign Code be organized by Zoning District, and that Event Centers in the A-1 district be permitted the same signs as Commercial Districts to be specified in the Event Center IUP (this is done currently).

If the City is to consider a comprehensive City Code re-write, this is typically a multi-year project and would cost $100,000 - $300,000. During the March 17, 2026 EDA meeting, the EDA directed no changes, but to keep this item on the Old Business agenda. During the July 21, 2026 EDA meeting, it was stated that the Mayor requested the EDA to review the ordinance. There are no updates since the February 17, 2026 EDA meeting.

CRITICAL ISSUES:
None.

RELATIONSHIP TO COUNCIL GOALS:
None.

ROLE OF ECONOMIC DEVELOPMENT AUTHORITY:
Provide direction of what section of the Sign Ordinance is of concern.

RECOMMENDATION:
None.

ATTACHMENT(S):

[1] Ordinance 2025-05; *An Ordinance Amending Dayton City Code Relating to Section 1001.20 Signs*

None.

ITEM:
Local Affordable Housing Aid Policy

APLICANT/PRESENTERS:
Jon Sevald, Executive Director

PREPARED BY:
Jon Sevald, Executive Director

POLICY DECISION / ACTION TO BE CONSIDERED:
Discussion of potential LAHA projects in Dayton

BACKGROUND/OVERVIEW:
The Minnesota Legislature created the Local Affordable Housing Aid program (LAHA) in 2024, allocating funds to counties and cities over 10,000 population, to preserve and create affordable housing. 25% of state LAHA funding is assigned to metropolitan cities. Each city is provided a dollar amount based on the number of cost-burdened households. *A cost-burden household is one in which the gross rent is 30% or more of household income or in which homeownership costs are 30% or more of household income.*[1] This number is provided by the US Census Bureau, American Community Survey.

There are 540 cost-burden households in Dayton (2026).

The City Council allocated LAHA funds to the EDA, serving as the HRA. LAHA funding provided to Dayton:

2025:	$73,197
2026:	$63,463

LAHA funds must be spent by December 31st of the 4th year after funds are received. For example, 2025 LAHA funds must be spent by December 31, 2029.

QUALIFYING LAHA PROJECTS[2]

1. *Emergency rental assistance for households earning less than 80% of area median income as determined by the United States Department of Housing and Urban Development (HUD)*

2. *Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing*

3. *Projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed:*

[1] Summary of Local Affordable housing Aid (LAHA) Certified Aid Amounts for 2026, page 2
[2] Revenue.state.mn.us/local-affordable-housing-aid; Qualifying Projects.

- *For homeownership projects, 115% of the greater of state or area median income as determined by HUD*
- *For rental housing projects, 80% of the greater of state or area median income as determined by HUD*

See the attached for more detailed requirements on Qualifying Projects.

FY 2026 Income Limits Summary, HUD Office of Policy Development and Research.

FY 2026 Income Limit	Median Family Income	FY 2026 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Minneapolis – St Paul – Bloomington, MN-WI HUD Metro FMR Area	$131,500	Extremely Low Income Limits ($)	27,650	31,600	35,550	39,450	42,650	45,800	50,040	55,720
		Very Low (**50%**) Income Limit ($)	46,050	52,600	59,200	65,750	71,050	76,300	81,550	86,800
		Low (**80%**) Income Limits ($)	73,650	84,200	94,700	105,200	113,650	122,050	130,450	138,900

CRITICAL ISSUES:

Construction & Rehabilitation

During multiple City Council Open Forums, Dayton residents requested home improvement funds. The City Council directed Staff to research programs. The EDA could allocate LAHA funding toward a city home improvement grant program.

Several cities have allocated LAHA funds to the *Center for Energy and Environment* (CEE) to administer a Front Door Grant Program.[3]

Andover has allocated $35,000 of LAHA funds for connections to municipal sewer/water (income limits).

Elk River has allocated funds to Habitat for Humanity, and has retained funds for future projects.

Ramsey has allocated $250,000 to a non-profit affordable housing development.

[3] CEE administers a Front Door Grant Program (or similar) for the cities of Andover, Anoka, Blaine, Brooklyn Center, Brooklyn Park, Burnsville, Champlin, Columbia Heights, Coon Rapids, Crystal, Edina, Elk River, Fridley, Minneapolis, Minnetonka, Mounds View, New Hope, Richfield, Robbinsdale, Roseville, South St. Paul, and St Louis Park.

Emergency Rental Assistance	CROSS Services is requesting LAHA funding be allocated to its *Peace of Mind Financial Assistance* program for rent and utility assistance to Dayton residents (see attached).
Dayton Park	The mobile home park includes 243 homes. There are many homes in sub-standard condition. The EDA could allocate LAHA funding toward a mobile home rehabilitation and replacement program. CEE administers mobile home improvement loans and grants for the cities of Blaine, Mounds View and Roseville.
CDBG	HUD administers the Community Development Block Grant (CDBG) program. 39 cities, including Dayton have allocated CDBG funds to Hennepin County's *HOME Investment Partnership* and *Emergency Solutions Grant* (ESG) programs. 2024-2026 Dayton CDBG funds were $38,900. Four Dayton households received funding during this period. CDBG is one of many examples of existing county financial assistance programs. The EDA could allocate LAHA funds to Hennepin County. **Otsego** ($52,000) and **St. Miachel** ($43,000) have allocated SAHA funds to Wright County (Wright County Community Action) for rental assistance.

ROLE OF THE EDA:
Discuss potential projects for LAHA funding.

STAFF RECOMMENDATION:
A decision is not needed today. Staff does not know what the greatest need is and suggest considering the following (2025 and 2026 LAHA funds):

$25,000 (18%)	Cross Services, Peace of Mind Financial Assistance program. Assumes $25,000 will serve about 10 households. CROSS' financial assistance program serves an average of 10 Dayton households annually.
$36,660 (27%)	Center for Energy & Environment, Senior Deferred Home Improvement Loan (or similar program). Assumes 3-7 home improvement forgivable loans to seniors, 65+.
$75,000 (55%)	Center for Energy & Environment, Mobile Home Improvement Loan.

It is Staff's opinion (nothing confirmed) that many mobile homes are in need of substantial repairs. Staff have observed several homes with illegal additions and unpermitted repairs. Dayton Park has the greatest concentration of need.

If allocating funds to other organizations, agreements will need to be drafted. Representatives of CROSS and CEE will be invited to attend the EDA meeting.

RELATIONSHIP TO COUNCIL GOALS:

<table>
<tr><th>Strategic Initiative</th><th>Goal</th><th>Key Outcome Indicator</th><th>Target</th><th>Action Items</th></tr>
<tr><td rowspan="3">Encourage Diversity and Manage Thoughtful Development</td><td>Create a variety of housing options</td><td>- Review housing type and lot size by %'s.</td><td>- Proportionate housing types available</td><td rowspan="3">A) Begin work on Comp Plan – Create Timeline for Completion
B) Develop Rental Housing Ordinance
C) Seek out businesses more often
D) Work with EDA to find niche businesses that are not in surrounding communities
E) Complete Lage Area Plan – Breakdown of Comp Pan Decades
F) Require Parking Code Requirements</td></tr>
<tr><td>Encourage healthy lifespan of both residential and commercial operations</td><td>- Total amount of Funding provided.
- Number of rental available and where they are located.</td><td>- Maintain grant program
- Manage number of rentals</td></tr>
<tr><td>Healthy Commercial Sector with services and job growth</td><td>- Net difference of businesses movement including their employment</td><td>- Maintain a positive difference in business movement</td></tr>
</table>

BUDGET IMPACT

$0

ATTACHMENT(S):

Local Affordable Housing Aid information

Sample of CEE home improvement loan programs

Cross Services proposal

DEPARTMENT OF REVENUE
Published on Minnesota Department of Revenue (https://www.revenue.state.mn.us)
Last Updated June 30, 2026

Local Affordable Housing Aid

Local Affordable Housing Aid helps metropolitan local governments develop and preserve affordable housing within their jurisdictions to keep families from losing housing and to help those experiencing homelessness find housing.

Open All [+] Close All [-]

About the Program

The Department of Revenue certifies preliminary distribution factors for eligible counties and cities by August 1 each year. We base this certification on current statutes, including any changes from the most recent legislative session.

Revenue also posts aid amounts after they are calculated each year and before the first-half payment on July 20.

The certification of preliminary distribution factors and posting of final aid amounts are accompanied by summaries explaining how each was calculated.

Local Affordable Housing Aid is paid in two equal installments in the year aid is calculated and is based on the amount available as of June 1 of that year. The first half is paid on July 20 and the second half on December 26.

2026 Certification

2026 Local Affordable Housing Aid Amounts - Counties

2026 Local Affordable Housing Aid Amounts - Cities

Summary of 2026 Local Affordable Housing Aid Amounts

2026 Local Affordable Housing Aid Preliminary Distribution Factors - Counties

2026 Local Affordable Housing Aid Preliminary Distribution Factors - Cities

Summary of 2026 Local Affordable Housing Aid Preliminary Distribution Factors

2025 Certification

2025 Local Affordable Housing Aid Amounts - Counties

2025 Local Affordable Housing Aid Amounts - Cities

Summary of 2025 Local Affordable Housing Aid Amounts

2025 Local Affordable Housing Aid Preliminary Distribution Factors - Counties

2025 Local Affordable Housing Aid Preliminary Distribution Factors - Cities

Summary of 2025 Local Affordable Housing Aid Preliminary Distribution Factors

2024 Certification

2024 Local Affordable Housing Aid Amounts - Counties

2024 Local Affordable Housing Aid Amounts - Cities

Summary of 2024 Local Affordable Housing Aid Amounts

2024 Local Affordable Housing Aid Preliminary Distribution Factors - Counties

2024 Local Affordable Housing Aid Preliminary Distribution Factors - Cities

Summary of 2024 Local Affordable Housing Aid Preliminary Distribution Factors

Use of Aid

Funds distributed under this aid program must be spent on a qualifying project.

Funds will be considered spent if both of these conditions are met:

- A county or eligible city demonstrates to Minnesota Housing that the city or county cannot expend funds on a qualifying project by the deadline below due to factors outside the control of the city or county
- The funds are transferred to a local housing trust fund

If funds are transferred to a local housing trust fund, they must be spent on a project or household that meets the affordability requirements described below.

Deadline: Funds must be spent by December 31 of the fourth year after the aid was received.

Qualifying Projects

Qualifying projects include:

- Emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development
- Financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; and
- Projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed:
    - For homeownership projects, 115% of the greater of state or area median income as determined by the United States Department of Housing and Urban Development
    - For rental housing projects, 80% of the greater of state or area median income as determined by the United States Department of Housing and Urban Development
- Housing developed or rehabilitated with funds under this section must be affordable to the local work force

Projects are prioritized that provide affordable housing to households that have incomes that:

- For homeownership projects, do not exceed 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development
- For rental housing projects, do not exceed 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development.

Priority may be given to projects that:

- Reduce disparities in home ownership
- Reduce housing cost burden, housing instability, or homelessness
- Improve the habitability of homes
- Create accessible housing
- Create more energy- or water-efficient homes

Gap financing is the difference between the costs of the property and either:

- The market value of the property upon sale; or
- The amount the targeted household can afford for housing, based on industry standards and practices.

If aid received under this program is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits described above.

If an aid recipient uses the aid on new construction of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

- The greater of:
    - At least one unit
    - At least 5% of units that are accessible units, as defined by section 1002 of the current State Building Code Accessibility Provisions for Dwellings Units in Minnesota, and include at least one roll-in shower
- The greater of
    - At least one unit
    - At least 5% of units that are sensory-accessible units that include:

- Soundproofing between shared walls for first and second floor units
- No florescent lighting in units and common areas
- Low-fume paint
- Low-chemical carpet
- Low-chemical carpet glue in units and common areas

These guidelines do not relieve a project funded by this aid program from meeting other applicable accessibility requirements.

Reporting to Minnesota Housing

Beginning in 2025, aid recipients must submit a report annually, no later than December 1 of each year, to Minnesota Housing. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section.

Questions?

For more information on this program, including answers to common questions, go to Local Government Housing Programs on the Minnesota Housing website and look under Local and Statewide Affordable Housing Aid.

You can email us about aid distribution at PropTax.Admin@state.mn.us.

Sample of CEE home improvement loan programs

	Grant / Loan	Property Eligibility
Andover	• Income Limit: ≤115% AMI • Grant up to $35,000 • One grant per property	• 1-4 unit owner-occupied.
Anoka	• No income limit. • 15yr loan $2,000 - $5,000, 3-4% interest	• 1-4 unit owner-occupied.
Blaine[1]	• No income limit. • 20yr loan $5,000 - $50,000	• 1-4 unit owner-occupied.
	• No income limit. • 8yr loan $3,000 - $15,000	• Owner-occupied manufactured homes located in a mobile home park.
	• Income limits. • 10yr loan $20,000 for addressing severe health & safety concerns	
Brooklyn Center	• 15yr loan $5,000 - $25,000	• 1-4 unit owner-occupied.
Burnsville	• Income limits • 30yr loan $5,000 - $15,000	• 1-4 unit owner-occupied. • Borrower age 65+
	• Income limits • 10-20yr loan, $5,000 - $50,000	• 1-4 unit owner-occupied.
Champlin	• Income limits. • $5,000 grant.	• 1-4 unit owner-occupied. • Max $450,000 home EMV
Coon Rapids	• Income limits. • 20yr loan, $2,000 - $50,000.	• 1-4 unit owner-occupied. • Max $400,000 home EMV

Generally, loans are deferred (pay back when house is sold) and forgiven after __-years (e.g. 30-year loan forgiven if homeowner lives in home for 30-years after loan awarded).

Generally, grants cover __% of home improvement project.

[1] City of Blaine has seven loan programs (only three are mentioned here)

CROSS Services Peace of Mind Financial Assistance Program Proposal

City of Dayton Local Affordable Housing Assistance Funding Request

Program Overview

CROSS Services' Peace of Mind Financial Assistance Program provides emergency financial assistance to individuals and families experiencing an unexpected financial crisis that threatens their housing stability. Through temporary rent and utility assistance, combined with individualized case management from a Family Advocate, the program helps households remain safely housed.

CROSS Services is requesting $73,000 from the City of Dayton to support Dayton residents who are struggling to maintain stable housing due to financial hardship. Funding will be used exclusively for rent and utility assistance payments made directly to landlords and utility providers, aligning with the City of Dayton's Local Affordable Housing Assistance Program and its commitment to preventing homelessness and promoting housing stability.

The average financial assistance request ranges from $1,800-$2,500 for one month's rent and $200-$400 for utility expenses. This funding will provide critical support to families facing temporary financial crises by helping prevent evictions, utility shutoffs, and housing displacement.

Eligible Assistance

Funding may be used for:

- Emergency rental assistance to prevent eviction or resolve an unexpected financial crisis.
- Past due rent payments needed to maintain stable housing.
- Utility assistance for electric, natural gas, and water services to prevent disconnection and maintain safe living conditions.

Eligibility Requirements

To qualify for assistance, applicants must:

- Reside within the City of Dayton.
- Have a current and consistent source of income and provide proof of income.
- Not have received financial assistance through CROSS Services within the previous 12 months.
- Not currently be involved in an active eviction court proceeding.

The Peace of Mind Financial Assistance Program does not provide assistance for:

- Section 8 housing payments
- Private-party rental agreements
- Mortgage payments
- Vehicle payments
- Credit card debt
- Rental late fees
- Security deposits
- First month's rent

Application Process

Every applicant works directly with a CROSS Services Family Advocate throughout the application process.

1. **Application Completion**
   Applicants complete a financial assistance application, including a household budget.
2. **Supporting Documentation**
   Applicants provide required documentation including proof of income, identification, lease agreement, utility bills, and any additional documents needed to evaluate eligibility.
3. **Family Advocate Appointment**
   Applicants schedule an in-person appointment with a Family Advocate by calling CROSS Services at (763) 425-1050. Applications are reviewed during the appointment, and electronic submissions are not accepted.

4. **Case Review**
   The Family Advocate reviews the application, assesses the household's financial situation, identifies additional resources, and may request supplemental documentation.

5. **Financial Review Committee**
   Completed applications are presented to the Peace of Mind Financial Review Committee for evaluation.

6. **Decision Process**
   Applications are reviewed individually based on documented need, program eligibility, and available funding. Applicants are typically notified within ten business days after a complete application has been received.

7. **Payment Process**
   Approved payments are made directly to landlords or utility providers. Funds are never distributed directly to applicants.

8. **Notification**
   Applicants are notified of approval or denial by email.

Program Impact

CROSS Services Impact in the City of Dayton

Since 1977, CROSS Services has been a trusted community partner serving Dayton residents by providing essential food services and compassionate, supportive resources that help families navigate financial hardship and build stability. As the needs of the community have grown, CROSS Services has continued to expand its services to ensure Dayton families have access to nutritious food, emergency assistance, and wraparound support close to home.

- From 2015 through 2025, CROSS Services consistently served approximately 100 unduplicated Dayton households each year through its onsite food shelf, Family Advocacy, and supportive programs.
- Through our Mobile Pantry Program, CROSS Services has provided food distributions serving 20–50 Dayton families per event, bringing fresh, nutritious food directly into neighborhoods and reducing transportation barriers for families experiencing food insecurity.
- In addition to emergency food assistance, Dayton residents have access to Family Advocacy, Peace of Mind Financial Assistance, children's programs, affordable

clothing through the Sweet Repeat Boutique, and connections to community resources that help families address immediate needs while promoting long-term stability.

CROSS Services remains committed to partnering with the City of Dayton to ensure residents have access to the resources they need to remain safely housed, financially stable, and connected to a caring network of community support.

In addition to emergency food assistance, Dayton residents have access to:

- Client-choice Food Shelf
- Family Advocacy
- Peace of Mind Financial Assistance
- Birthday Gift Program
- School Supplies and Backpacks
- Peaceful Dreams Beds for Kids
- CROSS-Over Youth Scholarships
- Sweet Repeat Boutique affordable clothing and household goods
- Community resource and county referrals

Community Benefit

Funding from the City of Dayton will directly assist residents experiencing temporary financial hardship by preventing eviction, maintaining essential utilities, and promoting long-term housing stability. Combined with comprehensive Family Advocate support, this investment will help families overcome immediate crises while connecting them to the resources and tools needed to achieve lasting self-sufficiency and remain successful members of the Dayton community.

PEACE OF MIND APPLICATION CHECKLIST

Before submitting the application at the scheduled advocate appointment, the client needs to include each of the items listed below in this envelope. **CROSS Services *will not* accept applications without *all* the documentation requested.**

- ☐ A completed and signed Peace of Mind Application
- ☐ Current lease agreement
- ☐ Most recent rent ledger (Ask the property manager)
- ☐ Most recent utility bills and contact information (Required if renting)
- ☐ Most recent income statement (pay stub) with year-to-date information for all occupants aged 18 or older (30 Days). *(If unemployed, provide unemployment insurance payment record for the last three months*)
- ☐ Completed Budget Form

Proof of Financial Hardship: ***(Must be in the name of the person requesting assistance)***

- ☐ Past Due notice(s) from the company for which the client is requesting assistance
- ☐ Any supporting documentation of the crisis that occurred/interrupted income