



AGENDA
SPECIAL ECONOMIC DEVELOPMENT AUTHORITY MEETING

December 5, 2011

6:45 PM

CITY COUNCIL CHAMBERS

Jason Bartholomay, Chair

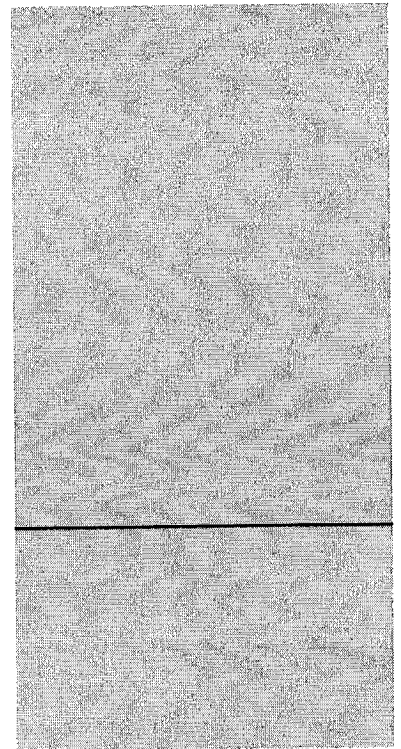
Christy Fogarty, Vice-Chair

Todd Larson; Mayor, Terry Donnelly, Julie May,

Ex-Officio: Douglas Bonar, Geraldine Jolley

Action Taken

- 1 Call Meeting to Order
- 2 Pledge of Allegiance
- 3 Approve Agenda
- 4 Citizen Comments / Presentations
- 5 Consent Agenda
- 6 Public Hearings
- 7 Continued Business
 - a) Quality Ingredients Corporation: 1996 Estoppel Letter
- 8 New Business
- 9 City Staff Reports/Discussion/Open Forum
10. Adjourn





City of Farmington

430 Third Street

Farmington, Minnesota

651.280.6800 • Fax 651.280.6899

www.ci.farmington.mn.us

TO: EDA Members

FROM: Tina Hansmeier, Economic Development Specialist

SUBJECT: Quality Ingredients Corporation: 1996 Estoppel Letter

DATE: December 5, 2011

INTRODUCTION

Quality Ingredients Corporation, Inc (QIC) is pursuing the purchase of the property located at 21025 Edmonton Avenue. The property consists of two parcels: Lot 1, Block 4, Farmington Industrial Park and Lot 1, Block 4, Farmington Industrial Park 2nd Addition Recorded against the property are a Development Contract (between the City and HRA) and the Industrial Park Addition and Industrial Park 2nd Addition Declarations of Covenants.

DISCUSSION

QIC has requested both EDA and City Council approval of certain documents. The EDA considered and approved the following on November 28:

- The Release of Land from Development Contract
- Estoppel letter regarding 1990 covenants
- A Resolution approving the release of certain property from the industrial park development contract and approval of estoppel letter under the declaration of 1990 covenants (specific to Lot 1, Block 4, Farmington Industrial Park).

For your information the related November 28 memorandums (excluding exhibits) are attached (Exhibit A) for additional detail. Exhibits will be made available upon request.

1996 Estoppel Letter

The EDA discussed (at its November meeting) the proposed use and alterations to the property in the specific context of both the 1990 and 1996 covenants. With the exception of #6, all provisions within the attached estoppel letter (Exhibit B) have been discussed at the previous meeting. The remaining provision (#6) required additional time to allow property owners to comment on the use and alterations.

Provision six (6) of the estoppel letter regarding the 1996 covenants states, *"The EDA hereby approves the plans and specifications attached hereto as (Exhibit A) and agrees that Buyer may construct and install the alterations and improvements to the Property shown in such plans and specifications. The EDA acknowledges and agrees that, prior to approving such plans and specifications, the EDA complied with the requirements of Section 4.02 of the Declaration, including considering any comments from other affected*

property owners regarding Buyer's proposed use and alteration to the Property." Attached is a copy of the notice provided (Exhibit C).

The only comment received (prior to the completion of staff's memo) was regarding odors that would result from QIC's processing of food and chemical ingredients. According to QIC, the process they are planning has no odor issue and the QIC has a long term operating experience with the product.

ACTION REQUESTED

Consider all comments from property owner and adjacent owners. Approve and execute the estoppel letter under 1996 declaration of covenants.

Respectfully Submitted,

Tina Hansmeier
Economic Development Specialist

Cc: File
Andrea McDowell-Poehler, City Attorney
Bob Freemore, QIC



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TO: EDA Members
FROM: Tina Hansmeier, Economic Development Specialist
SUBJECT: Quality Ingredients Corporation – 21025 Edmonton Avenue
DATE: November 28, 2011

INTRODUCTION

Quality Ingredients Corporation, Inc (QIC) is pursuing the purchase of the property located at 21025 Edmonton Avenue (Exhibit 1) for chemical and food ingredient processing. The property consists of two parcels: Lot 1, Block 4, Farmington Industrial Park and Lot 1, Block 4, Farmington Industrial Park 2nd Addition (Exhibit 2). Recorded against the property are a Development Contract (Exhibit 3) and the Industrial Park Addition (Exhibit 4) and Industrial Park 2nd Addition Declarations of Covenants (Exhibit 5).

DISCUSSION

QIC requests approval of the following documents:

- **Release of Land from Development Contract (Exhibit 6)**
- **Estoppel letters re: 1990 covenants (Resolution Exhibit A)**
- **Estoppel letters re: 1996 covenants (Exhibit 7)**

Release of Land from Development Contract

The Development Contract is dated May 21, 1991 and is between the City and HRA. All requirements outlined in the terms of the first phase of the Farmington Industrial Park have been completed. The request for approval of the Release of Land from Development Contract to amend the original Development Contract and release the land (Lot 1, Block 4, Industrial Park Addition) from the development agreement.

The EDA should discuss the proposed use and alterations to the property in the specific context of the 1990 and 1996 covenants. In the covenants, the original Declarants (1990: Elizabeth C. Murphy and Bernard D. Murphy and 1996: Bernard D. Murphy and Lexington Standard Corporation) appointed the HRA as the agent and attorney-in-fact to act and to perform any act, function or duty of the Declarants hereunder." Accordingly, the appropriate course of action would be for the EDA to review the proposed use and alterations and acknowledge if they comply with the terms and conditions of the covenants. QIC's plans and specifications are attached (Exhibit 8).

- The proposed use of the property is for food and chemical ingredient processing whereby QIC processes wet material into dry powders.
- The proposed alterations include:
 - Raising a portion of the existing roof to a height of 68 feet.
 - Installation of product silos on the southwest side of the building.

The proposed use and alterations to the property must satisfy both the city code and the applicable covenants. On November 8th the Planning Commission approved QIC's request for a variance to exceed the maximum height requirement within the IP (Industrial Park) Zoning District to raise a portion of the existing roof. The City granted approval to allow for the outside storage of tanks. Please see the November 8th staff memorandum for additional details (Resolution Exhibit B).

Estoppel Letters

QIC has prepared the attached Declarant Estoppel letters and requests EDA's approval and execution. One of the provisions included in both of the estoppel letters states "The Property is subject to the Declaration, and the Property and all improvements thereon fully comply with the terms and conditions of the Declaration." The existing property has been reviewed for compliance with the Declarations of Covenants and the following preexisting elements appear non-compliant: Loading dock location and screening, and parking lot location. The EDA (as Declarant) can approve, by resolution, these "non-compliant" items because they are preexisting.

The estoppel letter regarding the 1996 covenants includes a provision that the EDA (as Declarant) prior to approving plans and specifications of any alteration, has provided opportunity for the property owner and adjacent property owners to provide comment regarding QIC's proposed use and alteration of the property. Notice has been provided. To allow sufficient time for comment, the EDA can not take action on the 1996 covenant estoppel letter at tonight's meeting. **Therefore, a special EDA meeting has been scheduled for Monday, December 5th at 6:45pm to consider comments and take action on this item.**

Staff's recommendation is to approve and execute the Release of Land from Development Contract, Resolution acknowledging existing 21025 Edmonton Avenue property conditions and QIC's proposed use and alterations as compliant with Declarations of Covenants, and Estoppel letter regarding 1990 Declaration of Covenants.

ACTION REQUESTED

Approve and execute the attached Resolution approving the Release of Land from Development Contract and approval of estoppel letter under declaration of covenants.

Respectfully Submitted,

Tina Hansmeier
Economic Development Specialist

Cc: File
Andrea McDowell-Poehler, City Attorney
Bob Freemore, QIC



City of Farmington

430 Third Street

Farmington, Minnesota

651.280.6800 • Fax 651.280.6899

www.ci.farmington.mn.us

TO: Mayor, Councilmembers, and City Administrator

FROM: Tina Hansmeier, Economic Development Specialist

SUBJECT: Quality Ingredients Corporation – Release of Land from Development Contract

DATE: November 28, 2011

INTRODUCTION

Quality Ingredients Corporation, Inc (QIC) is pursuing the purchase of the property located at 21025 Edmonton Avenue (Exhibit A) for chemical and food ingredient processing. The property consists of two parcels: Lot 1, Block 4, Farmington Industrial Park and Lot 1, Block 4, Farmington Industrial Park 2nd Addition (Exhibit B). Recorded against the property is a Development Contract and the Industrial Park Addition and Industrial Park 2nd Addition Declarations of Covenants.

DISCUSSION

The Development Contract is dated May 21, 1991 and is between the City and the predecessor to the EDA, the HRA. QIC is requesting that the EDA and City release the property from the terms of the Development Contract. Staff has reviewed the Development Contract and determined that all requirements of the agreement have been met.

ACTION REQUESTED

Approve and execute the enclosed Release of Land from Development Contract.

Respectfully Submitted,

Tina Hansmeier
Economic Development Specialist

Cc: File
Andrea McDowell-Poehler, City Attorney
Bob Freemore, QIC

Date: _____

Ms. Isabelle Day, CEO
Quality Ingredients Corporation
14300 Rosemount Drive
Burnsville, MN 55306-6925

Re: Declaration of Covenants regarding Farmington Industrial Park 2nd Addition dated September 5, 1996, recorded September 20, 1996 as Document No. 1375883 with the Dakota County Recorder, Dakota County, Minnesota (the "Declaration") entered into by Bernard D. Murphy and Lexington Standard Corporation, a Minnesota corporation (collectively, "Declarants") as it relates to property located at 21025 Edmonton Avenue, Farmington, Minnesota (the "Property")

Dear Ms. Day:

The Economic Development Authority in and for the City of Farmington (the "EDA"), as agent and attorney-in-fact for the Declarants, hereby certifies to and covenants with Quality Ingredients Corporation, a Minnesota corporation ("Buyer"), and its successors and assigns, as follows:

1. The EDA is the agent and attorney-in-fact of the Declarants with respect to approvals and other matters relating to the Declaration, and the EDA has the right, power and authority to act on behalf of and bind the Declarants in connection with the Declaration.
2. The Declaration is in full force and effect and has not been modified or amended.
3. The Property is subject to the Declaration, and the Property and all improvements thereon fully comply with the terms and conditions of the Declaration.
4. The owner of the Property is not in default under the Declaration, and, to the EDA's knowledge, no event has occurred with respect to the Property or the owner of the Property that, with the passage of time or the giving of notice or both, would constitute a default under the Declaration.

5. The EDA hereby approves Buyer's intended use of the Property for food and chemical ingredient processing, and acknowledges and agrees that such intended use complies with the terms and conditions of the Declaration.

6. The EDA hereby approves the plans and specifications attached hereto as Exhibit A and agrees that Buyer may construct and install the alterations and improvements to the Property shown in such plans and specifications. The EDA acknowledges and agrees that, prior to approving such plans and specifications, the EDA complied with the requirements of Section 4.02 of the Declaration, including considering any comments from other affected property owners regarding Buyer's proposed use and alteration of the Property.

The EDA acknowledges that Buyer will rely on this letter in purchasing and making improvements to the Property.

Economic Development Authority in and for the City of Farmington

By: _____
Name: _____
Title: _____



City of Farmington

430 Third Street
Farmington, Minnesota
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www.ci.farmington.mn.us

November 22, 2011

River Valley Bank
Attn: Fred Haag
Wausau WI 5441

RE: Proposed Construction and Use of Adjacent Property

To Whom It May Concern:

As the agent and attorney-in-fact for the Industrial Park Addition and Industrial Park 2nd Addition Declarations of Covenants, I hereby provide notice of the proposed purchase of the property located at 21025 Edmonton Avenue, by Quality Ingredients Corporation ("QIC"). Quality Ingredients Corporation desires to purchase the property for chemical and food ingredient processing. Plans and specifications illustrating QIC's proposed use and alteration of the building are attached.

On November 8, 2011 the Planning Commission approved a variance to exceed the maximum height requirement within the IP (Industrial Park) Zoning District by approximately 23 feet in order to raise a portion of the existing roof to a height of 68 feet. Additionally, QIC received approval of storage tanks to be installed on the west side of the building.

On December 5, the agent and attorney-in-fact for the Declaration of Covenants will consider the enclosed plans and specifications at a special meeting of the Farmington EDA.

Written and or oral comments regarding QIC's intended use and alteration of the property must be received by Tina Hansmeier, Economic Development Specialist on or before 4:30pm on Monday, December 5th. Oral comments can also be provided at the December 5th meeting which will begin at 6:45pm and be held in the City Hall Council Chambers.

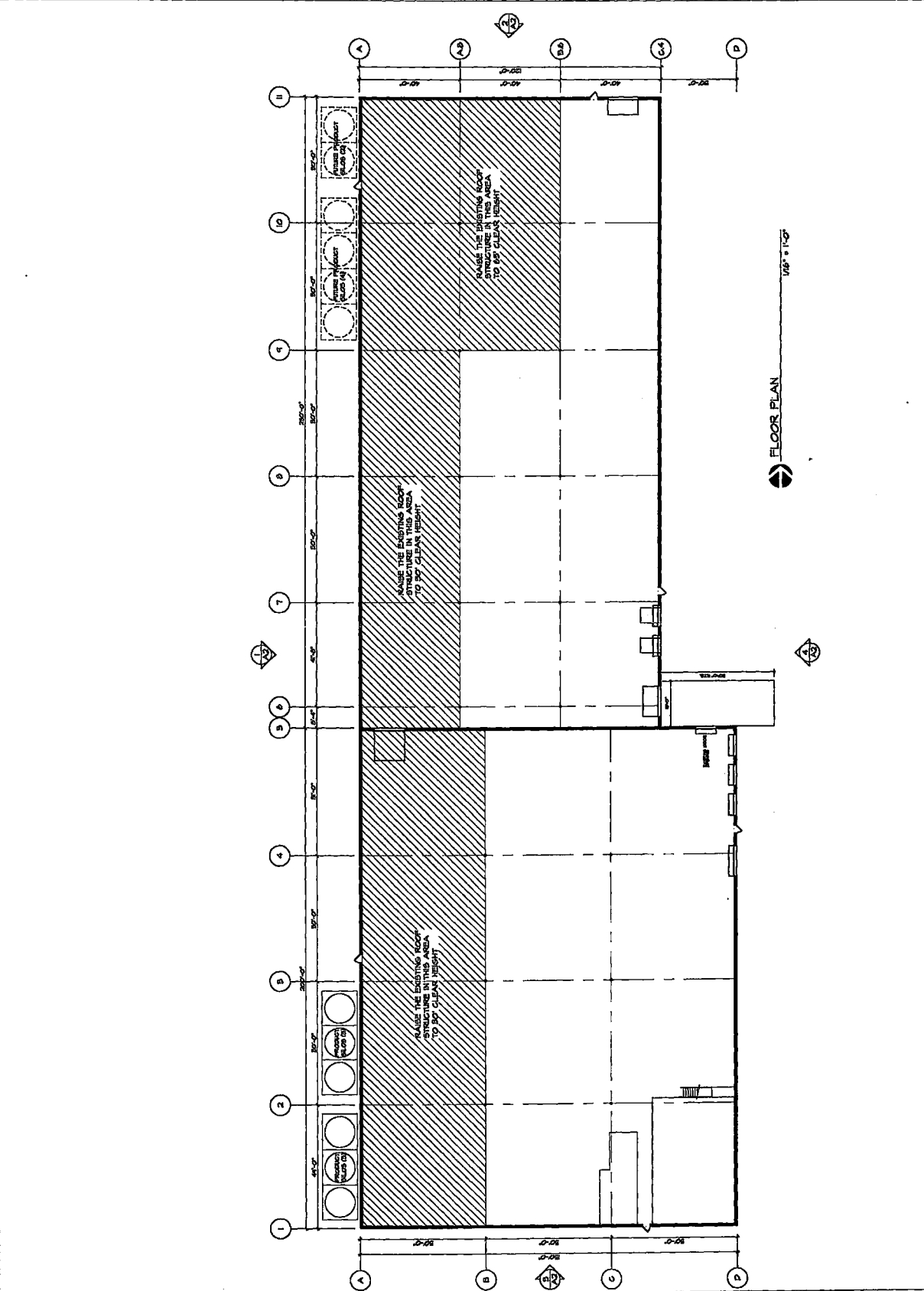
Tina Hansmeier
Economic Development Specialist
City of Farmington - 430 3rd Street - Farmington, MN 55024
Ph. (651) 280-6821 or FAX (651) 280-6839

Sincerely,

Agent and attorney-in-fact for Declaration of Covenants
Economic Development Authority in and for the City of Farmington

Cc: File
Andrea McDowell-Poehler, City Attorney
Bob Freemore, Quality Ingredients Corporation

NO.	REVISION
1	ISSUE FOR PERMITTING
2	REVISED PER PERMITTING COMMENTS
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FLOOR PLAN 1/8" = 1'-0"

EX.C

PROPOSED PROJECT FOR: 21025 EDMONTON AVENUE, FARMINGTON, MN
 ADDRESS, MN
 DATE: 10/11/2011
 DRAWN BY: [REDACTED]
 CHECKED BY: [REDACTED]
 APPROVED BY: [REDACTED]
 SCALE: 1/8" = 1'-0"

A2

