AGENDA
CITY COUNCIL WORK SESSION

September 23, 2024 - 6:10 PM

Lakeville City Hall, Marion Conference Room

Members of the public can participate in person at Lakeville City Hall, Marion Conference Room. Members of the public may join the meeting via Teams Meeting, **Meeting ID: 276 485 596 886 or by calling Toll Number 1-323-433-2142; Conference ID: 432 130 403#.** The mayor will allow for public comments and questions at the appropriate time.

The City Council is provided background information for agenda items in advance by staff and appointed commissions, committees, and boards. Decisions are based on this information, as well as City policy, practices, input from constituents, and a council member's personal judgment.

1. Call to order, moment of silence and flag pledge
2. Citizen Comments
3. Discussion Items
   a. Economic Development Strategic Plan — Tina Goodroad
   b. Long-Term Financial Management Plan Update — Julie Stahl
4. Items for Future Discussion
5. Committee/ City Administrator Updates
6. Adjourn

Date: 9/23/2024

Economic Development Strategic Plan

Proposed Action

Receive presentation on the 2024-2028 Economic Development Strategic Plan and provide feedback and discussion.

Overview

Earlier this year the City contracted with Ehlers to prepare Lakeville's 2024-2028 Economic Development Strategic Plan. This document is the culmination of EDC discussions and feedback gathered between April through July 2024 and includes five goals with strategies, actions and success measures.

The five goals are:

1. Identify Resources Available for Economic Development
2. Expand Existing Businesses and Promote Entrepreneurship
3. Establish Lakeville's Competitive Edge
4. Strengthen Lakeville's Local Tax Base
5. Enhance Lakeville's Distinct Industrial and Commercial Districts

Staff will provide a presentation on the process, goals, actions and success measures of the plan.

Supporting Information

1. Economic Development Strategic Plan Final

Financial Impact: $0 **Budgeted:** No **Source:**
Envision Lakeville Community Values: Diversified Economic Development
Report Completed by: Tina Goodroad, Community Development Director

City of Lakeville, MN

ECONOMIC DEVELOPMENT STRATEGIC PLAN

APPROVED BY EDC: TBD

Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

ACKNOWLEDGMENTS

The Economic Development Commission of the City of Lakeville (EDC) developed this document to ensure a pragmatic approach to growth and development throughout the City of Lakeville over the next five years. The EDC is comprised of nine members, one alternate, and three ex officio positions.

Economic Development Commission Members:

- Victor Arredondo, Alternate Commissioner
- Rebecca Bergin, Commissioner
- Lowell Collman, Vice Chair
- Joe Eykyn, Commissioner
- Rick Bjorklund, Commissioner
- Jack Matasosky, Commissioner
- Andrew Phillips, Commissioner
- Don Seilier, Chair
- Glenn Starfield, Commissioner
- John Swaney, Commissioner
- Justin Miller, City Administrator
- Luke Hellier, Mayor
- Krista Jech, Chamber President

Staff Liaisons:

- Tina Goodroad, Community Development Director
- Kati Bachmayer, Economic Development Manager

Consultants:

- Jason Aarsvold, Ehlers and Associates
- Keith Dahl, Ehlers and Associates

CONTENTS

Introduction

OVERVIEW

The City of Lakeville, Minnesota is a growing community located in the southern portion of the Minneapolis-St. Paul Statistical Area. It is located immediately south of where Interstate 35W and 35E connect. The United States Census Bureau estimates the City had a population of 75,217 in 2023. This is an increase of about 34% from the 2010 census.

The City is seeing strong demand for both residential and industrial growth given its available land, proximity and location within the Twin Cities Metropolitan Area. The EDC is intently aware of its assets, competitive position, and continued growth potential. Lakeville intends to capitalize on its opportunities and help shape growth over the next five years in a manner consistent with community values. To accomplish this, the EDC undertook an in-depth and intentional strategic planning process for economic development.

This Strategic Plan sets forth an achievable, strategic economic development plan for the EDC and City of Lakeville. The Strategic Plan identifies specific goals, strategies and actions which build upon unique strengths and distinct characteristics of the City. Each of the goals focus on one or more priorities of the EDC which factor into the economic health and enhanced vitality of the City. The Strategic Plan's purpose is to articulate a set of measurable strategic actions that facilitate development within the City and provide guidance to staff on where to spend their time and City resources.

The Strategic Plan is not meant to be an exhaustive outline, but rather is intended to be a roadmap for guidance and direction. In addition, the Strategic Plan is meant to be fluid in that it should be reviewed regularly to determine if there is a change in priorities or if resources need to be shifted. A key aspect of this Strategic Plan is to assure the mechanisms are in place to recognize success, big or small, in development and to continuously realign the resources and policies of the City to meet the goals of the EDC.

PROCESS

The strategic planning process began the week of April 15, 2024, with all the EDC members completing an intake questionnaire form. A series of questions were asked to "level set" the initial conversation with the EDC. Staff desired to understand 1) what their perspectives, perceptions, and realities were of Lakeville, 2) identify priorities for development of the Strategic Plan, 3) review roles and responsibilities for implementation of the Strategic Plan, and 4) assess the course of direction for the future – how would success be measured over five years.

On April 23, Ehlers provided the EDC with an overview of the strategic planning process, an assessment of current economic conditions, and shared the major themes that originated from the intake questionnaire forms. EDC members broke into small groups to discuss their immediate reactions, as well as strengths, weaknesses, opportunities, and threats (SWOT). The primary goal of a SWOT analysis is to gain a better understanding of the current environment. It's an honest attempt to evaluate internal and external factors involved in establishment of a strategic plan. Through this discussion, the EDC identified the following characteristics in each area:

Strengths:

- One of the Largest Industrial Park in Minnesota
- Proximity to Airports - MSP International & Airlake
- Convenient Access to I-35
- Land Availability
- Quality of School District
- Engaged Community, Chamber, Tech College, School District, and City Leadership
- Small Town Mentality with a Big Town Feel
- Diverse Business Base / Growing Residential Community
- Parks, Trails, and Open Spaces
- Historic Downtown

Weaknesses:

- Public Transportation to and within Lakeville
- Diversity & Affordability of Housing
- Cost to maintain existing infrastructure
- Cost to construct new infrastructure
- Labor Retention and Attraction for the Industrial Park
- Bedroom Community – Homogenous tax base
- Location – Harder to Attract Certain Employers
- Lack of centralized commercial corridor
- High income employment opportunities
- Geographic size of the community – Four pockets

Opportunities:

- Interchange at I-35 and CSAH 50 (Kenwood Trail)
- County Road 70 – East/West Corridor
- Promotion of Lakeville outside of Greater MSP and DEED – Increase Marketing Efforts of Development Opportunities
- Collaboration & Coordination with Local Partners, Stakeholders and Businesses
- Land Availability for Attraction & Retention of Businesses
- Attraction of Capital-Intensive Industries
- Public Transportation to Industrial Park
- Annexation of Adjacent Land
- Implementation of a Business Retention and Expansion Program
- Secure Financial Resources for Economic Development & Identify Financial Incentives

Threats:

- Transition of Online Services and Sales
- Financial Impacts to the City – Growth May Mean Increased Levies
- Resources of the City may not be Adequate for Expectations of Economic Development Efforts
- Labor Availability – Dwindling Workforce
- Not having a Diverse Commercial/Industrial Tax Base
- Not Listening to the Business Community
- Inadequate Housing to Meet the Needs of Jobs within Lakeville
- Decline of School District
- State Legislation
- Financial Demands on Resources with Aging Population and Infrastructure

When it comes to a SWOT analysis for factors specifically related to “threats”, it’s important to note that staff encouraged the EDC to cast a wide net. No community, organization, or group is immune to threats. Therefore, many of the characteristics addressed above are simply considerations that the EDC discussed as possibilities.

Following the conclusion of the SWOT analysis, staff began formulating goals for consideration and discussion at the May EDC meeting. Members broke up into small groups again to obtain thoughts, concerns, or objections to the draft goals. Staff took the EDC’s feedback, refined the goals, and then began drafting strategies to accomplish each goal.

Then, at the next meeting in June, the EDC finalized the goals and strategies for inclusion into the Strategic Plan. Staff began compiling the Strategic Plan and shared it with EDC members individually in July for final review and comments.

Current Conditions

EDC Commissioners spent time reviewing data about the City of Lakeville to help inform development of the Strategic Plan. The following information and key "take-aways" provided through the planning process allowed the EDC to review the state of Lakeville in context against that of the metro area, selected peer communities, and the State of Minnesota.

TAX BASE

Growing the tax base is one of the central goals of any economic development effort. Tracking the growth in Lakeville's tax base will be one important way to measure success. Comparing that growth to the state as a whole, as well as other peer communities will help the City understand if the tax base growth is simply inflationary, or if the City's growth is increasing relative to its peers. A strong economic development strategy is one factor that can contribute to tax base growing faster than peer communities. The table below compares Lakeville's market value, which is a measure of the City's tax base, to selected peer communities and the State of Minnesota between 2019 and 2023.

Table No. 1

		Estimated Market Value		Change 2019 - 2023		Market Value
City	2023 Population	2019	2023	Amount	Pct.	Per Capita
Apple Valley	56,252	$5,844,660,177	$7,925,007,900	$2,080,347,723	35.59%	$140,884.02
Blaine	73,546	$6,976,175,700	$10,219,852,900	$3,243,677,200	46.50%	$138,958.65
Burnsville	65,327	$7,286,183,800	$9,189,233,700	$1,903,049,900	26.12%	$140,665.17
Cottage Grove	42,648	$3,621,147,803	$5,517,714,600	$1,896,566,797	52.37%	$129,378.04
Lakeville	**75,217**	**$7,660,224,000**	**$11,815,943,000**	**$4,155,719,000**	**54.25%**	**$157,091.39**
Maple Grove	71,676	$9,546,158,649	$13,591,232,100	$4,045,073,451	42.37%	$189,620.40
Woodbury	78,740	$9,495,119,701	$13,548,254,400	$4,053,134,699	42.69%	$172,063.18
Minnesota	5,737,915	$730,666,043,555	$979,760,018,170	$249,093,974,615	34.09%	$170,751.92

Source: US Census Bureau - ACS 5-Year Estimates; Minnesota Department of Revenue; Metropolitan Council

As indicated in Table No. 1, Lakeville's market value growth between 2019 and 2023 has outpaced peer communities and the State. This comparison is a helpful way to understand whether the City's market value growth reflects the general inflation within the region, or if there may be other factors contributing, such as an intentional economic development strategy. The fact that Lakeville is a growing community with available land, is directly contributing to this. In addition, both total market value and market value on a per capita basis, are strong compared to selected peer communities.

Table No. 2

Tax Capacity	2019	2023	Amount	Pct.
Apple Valley	$62,864,531	$85,222,663	$22,358,132	35.57%
Blaine	$78,483,537	$115,300,642	$36,817,105	46.91%
Burnsville	$82,872,409	$110,035,999	$27,163,590	32.78%
Cottage Grove	$37,558,965	$58,070,742	$20,511,777	54.61%
Lakeville	**$82,788,937**	**$130,066,363**	**$47,277,426**	**57.11%**
Maple Grove	$109,919,969	$158,706,622	$48,786,653	44.38%
Woodbury	$106,383,864	$153,859,077	$47,475,213	44.63%
Minnesota	$7,819,004,851	$10,638,170,403	$2,819,165,552	36.06%

Source: Minnesota Department of Revenue

While market value growth is a strong tax base indicator, it needs to be compared to tax capacity since property taxes, in Minnesota, are directly calculated using tax capacity instead of market value. This allows communities to understand how much tax base is available to disburse their levy across. Table No. 2 verifies that the growth Lakeville is experiencing from market value has translated into tax capacity growth for property tax purposes.

Breaking down the total tax capacity of Lakeville in Table No. 2 above by property classifications, provides us with an understanding of where Lakeville is experiencing growth. Table No. 3 on the following page breaks this down by property classification so we can see the growth or decline between 2019 and 2023.

Table No. 3

	Payable Year		Change
	2019	2023	2019-2023
Tax Capacity	$ 82,788,937	$ 130,066,363	$ 47,277,426
Residential - homestead	68.38%	69.36%	0.98%
Residential - non-homestead	7.76%	8.66%	0.91%
Farm	0.88%	0.54%	-0.34%
Commercial/Industrial	18.40%	16.28%	-2.12%
Apartments	2.73%	4.04%	1.31%
Other	1.85%	1.11%	-0.74%

Source: Minnesota Department of Revenue

Lakeville experienced exponential increase to its tax capacity between 2019 and 2023. Tax capacity increased more than $47 million, an increase of approximately 58%. It's important to note that Table No. 3 above breaks down the relative percent of each property classifications' tax capacity against the total. A negative number in the "change" column does not directly mean the tax base for that property classification declined. Rather, it means the total tax capacity is shifting between different property classifications. Table No. 3 allows us to ascertain that residential growth has outpaced commercial and industrial development growth between 2019 and 2023.

BUSINESSES

Businesses play a crucial role in every community. They create jobs, influence community identities, and generally give back to the community in which they are a part of. As indicated in Table No. 4 below, Lakeville had 1,546 businesses at the end of 2023. The makeup of businesses within Lakeville have been broken down by industry sectors and compared to the same industry sectors of the State for contextual purposes.

Table No. 4

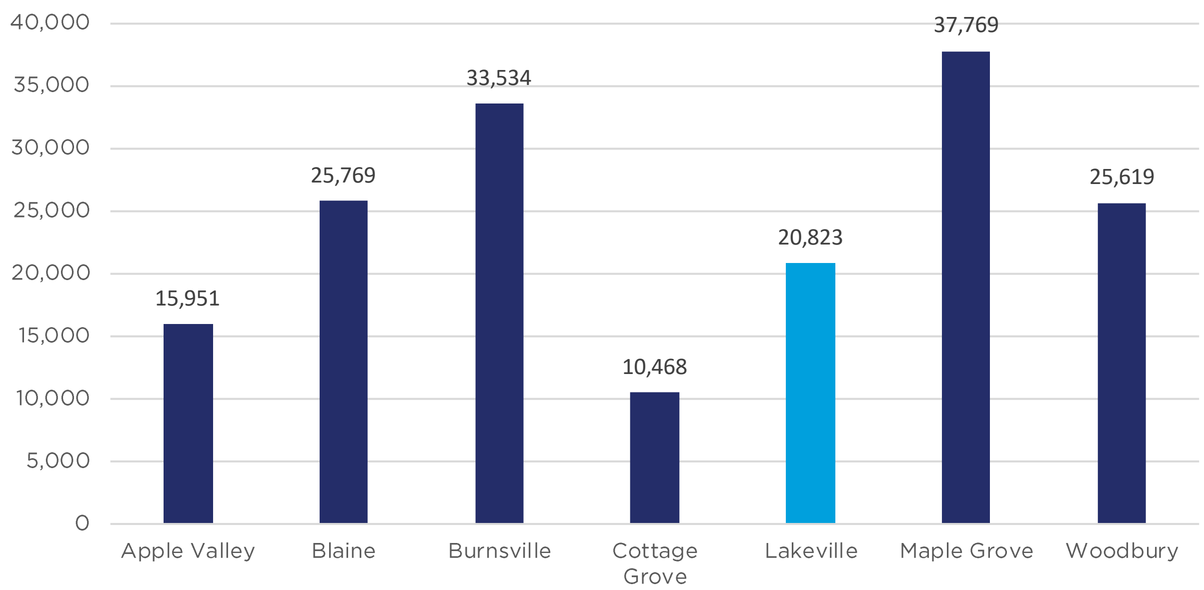
Industry	Lakeville	Pct.	Minnesota	Pct.
Businesses	1,546		207,648	
Agriculture, forestry, fishing and hunting, and mining	6	0.39%	3,488	1.68%
Construction	154	9.96%	18,343	8.83%
Manufacturing	74	4.79%	8,625	4.15%
Utilities	0	0.00%	538	0.26%
Wholesale trade	86	5.56%	15,423	7.43%
Retail trade	116	7.50%	17,737	8.54%
Transportation and warehousing, and utilities	41	2.65%	6,352	3.06%
Information	32	2.07%	6,928	3.34%
Finance and insurance, and real estate and rental and leasing	167	10.80%	17,967	8.65%
Professional, scientific, management, administrative, and waste management	262	16.95%	41,706	20.08%
Educational services, and health care and social assistance	316	20.44%	29,735	14.32%
Arts, entertainment, and recreation, and accommodation and food services	108	6.99%	16,725	8.05%
Other services, except public administration	179	11.58%	20,687	9.96%
Public administration	5	0.32%	3,394	1.63%

Source: Source: MN Department of Employment and Economic Development

EMPLOYMENT

Existence of job opportunities within a community is one indicator of economic strength. Jobs provide opportunities for residents, but they also bring significant economic activity that helps support additional growth in the commercial sector. Lakeville has experienced steady job growth over the last two decades. Graph No. 1 below compares the number of jobs in Lakeville to selected peer communities at the end of 2023.

Graph No. 1



Source: Source: MN Department of Employment and Economic Development

Lakeville had 20,823 jobs within the community. The US Census Bureau estimates 4,201 residents of Lakeville were employed within Lakeville. Moreover, they also estimated that 38,819 residents of Lakeville were employed meaning approximately 90% of residents of Lakeville commute outside of Lakeville for employment. Understanding these metrics are crucial when developing an economic development strategy.

This ultimately led us to review and evaluate the types of jobs within Lakeville by industry. Table No. 5 below breaks down the number of jobs within Lakeville by industry. As indicated on the table, the majority of jobs are in 1) educational services, and health care and social assistance, 2) manufacturing, 3) arts, entertainment, and recreation, and accommodation and food services, and 4) retail trade.

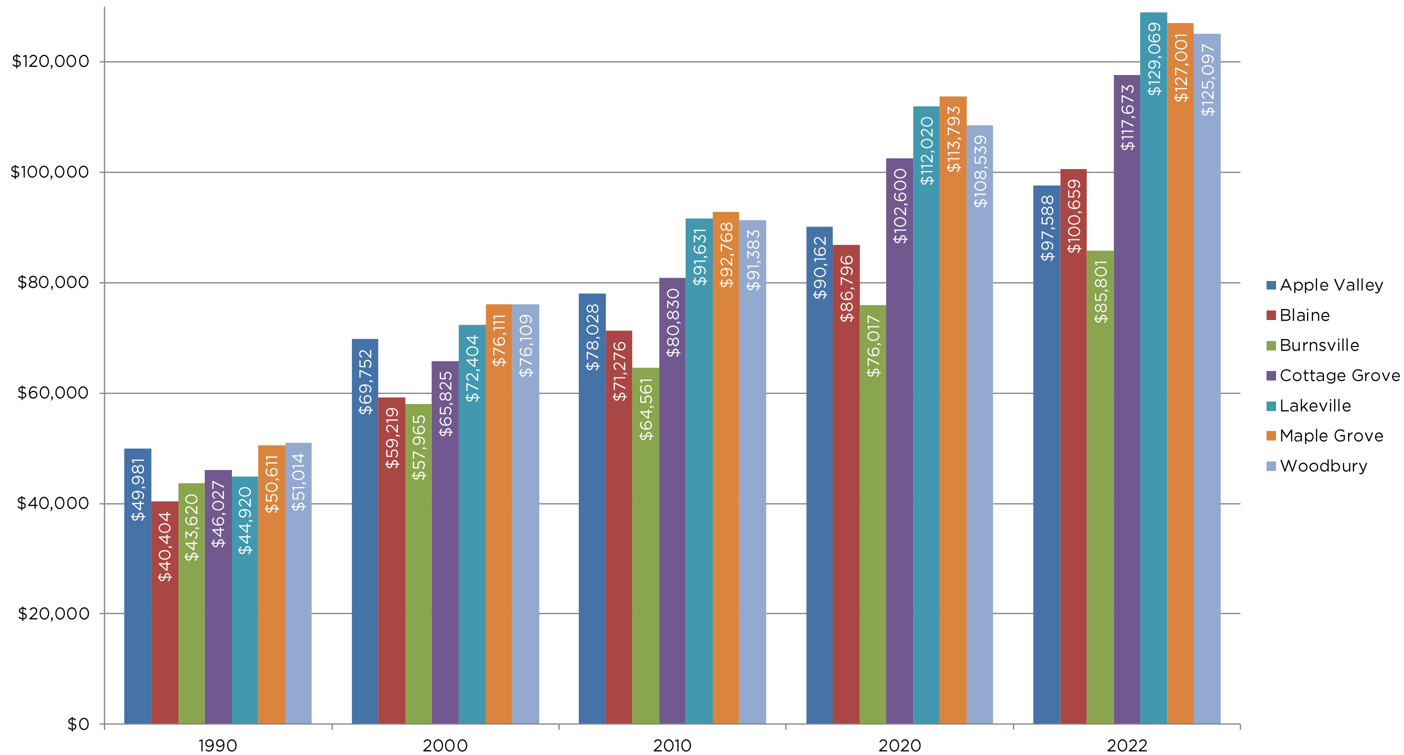
Table No. 5

Industry	Lakeville	Pct.	Minnesota	Pct.
Jobs	20,823		2,903,264	
Agriculture, forestry, fishing and hunting, and mining	26	0.12%	29,089	1.00%
Construction	1,138	5.47%	142,943	4.92%
Manufacturing	3,005	14.43%	325,814	11.22%
Utilities	0	0.00%	14,441	0.50%
Wholesale trade	807	3.88%	133,457	4.60%
Retail trade	2,739	13.15%	283,766	9.77%
Transportation and warehousing, and utilities	777	3.73%	114,523	3.94%
Information	278	1.34%	48,232	1.66%
Finance and insurance, and real estate and rental and leasing	859	4.13%	176,260	6.07%
Professional, scientific, management, administrative, and waste management	2,479	11.91%	387,754	13.36%
Educational services, and health care and social assistance	4,495	21.59%	741,298	25.53%
Arts, entertainment, and recreation, and accommodation and food services	2,860	13.73%	278,083	9.58%
Other services, except public administration	864	4.15%	90,307	3.11%
Public administration	496	2.38%	137,297	4.73%

Source: Source: MN Department of Employment and Economic Development

INCOME

Graph No. 2



Source: US Census Bureau

Lakeville's median household income Increased from $44,920 in 1990 to $129,069 in 2022. A 187% increase.

Median household income in the Twin Cities increased from $36,565 in 1990 to $94,673 in 2022. A 159% increase.

Lakeville's median income is growing faster than the Twin Cities region

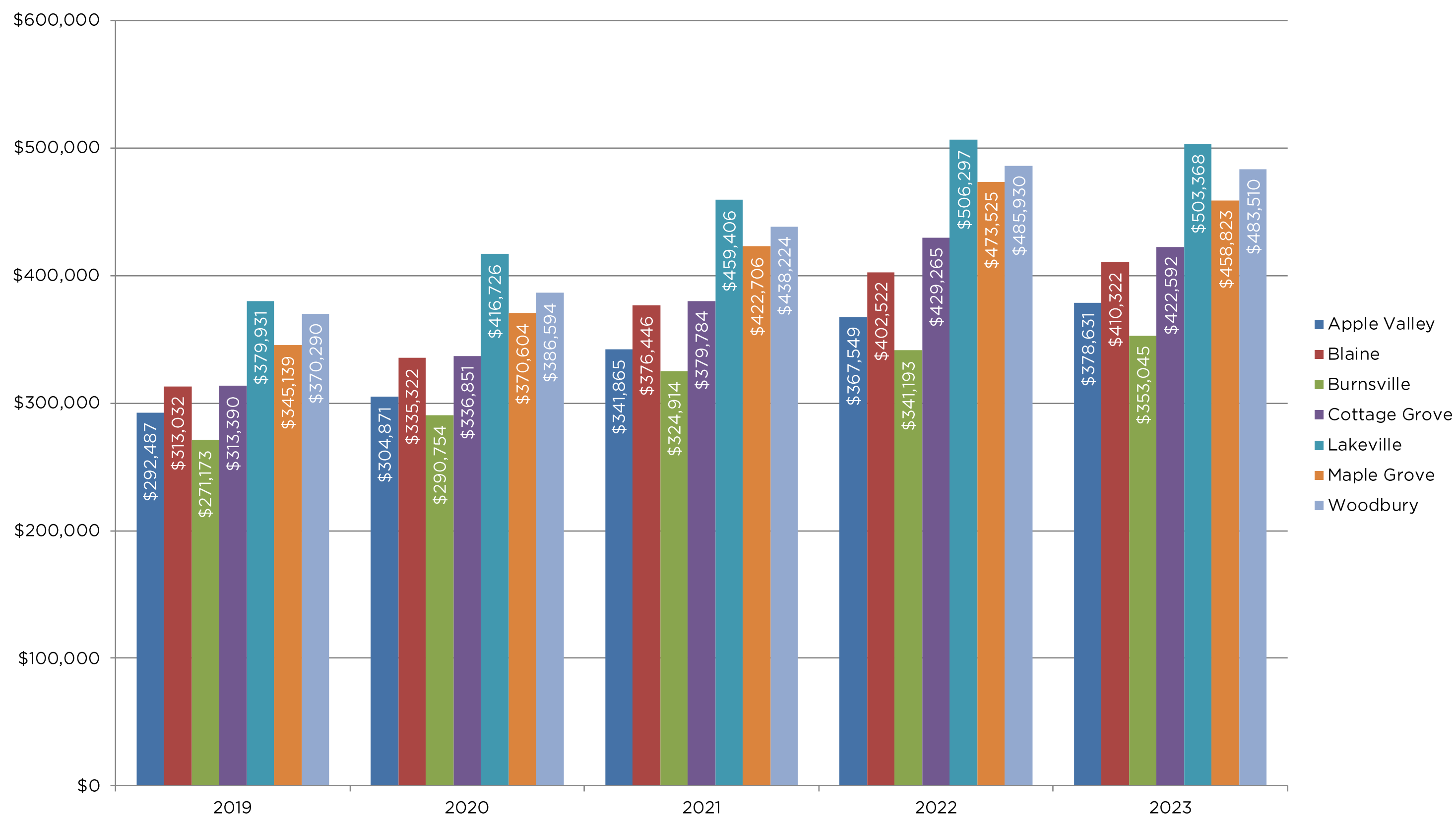
HOUSING SALES

Lakeville's median home sale price was $379,931 in 2019 and increased to $503,368 in 2023, which is a 32% increase.

The median home sale price in the Twin Cities region was $288,000 in 2019 and increased to $370,000 in 2023, which is a 28% increase.

Lakeville's median home sales price is the highest of the peer cities reviewed.

Graph No. 3



Source: Minnesota Area Realtors Association

Resources

Successful implementation of Lakeville's Economic Development Strategic Plan will require attention to the balance between priorities and available resources. The amount of work in this plan that the City can take on and the timeframe within which it can be accomplished will be a function of available resources. These resources include funding, human capital, and technology. There may always be more activities on the economic development wish list than available resources to give them all the appropriate attention.

The City's staff and other financial resources are finite, and it is difficult to create a large enough "hope chest" in the short-term to address all the City's needs. The City has relied in the past on the use of some public resources and tools that exist to accomplish its goals and will need to in the future as well.

The primary limiting resource for the City is funding availability to fully execute long-term plans. For this reason, prioritizing the City's economic development activities is critical. This exercise in prioritization must be done in the context of the resources available to get the job done. Finding the proper balance will help ensure the City's investment in economic development is achieving the goals most important to the community. If priorities and resources are out of balance, the City will either have trouble accomplishing its goals, or will be investing more than may be necessary. The City will need to continually evaluate its economic development program and funding levels to stay in balance.

This plan contemplates time horizons for accomplishing each goal based on a schedule that uses short term, mid-term, and long-term increments. These time horizons are based on each goal's complexity and necessary level of involvement and resources. The exact date by which each goal will be accomplished is a function of the priority they are given and the City's available staff capacity and resources.

We recommend establishing an annual work plan to address these goals that can prioritize which items are most important and then match the resources necessary to carry out that plan. This plan should be revisited annually, and priorities and resources should be adjusted accordingly.

Economic Development Strategy

GOAL 1: IDENTIFY RESOURCES AVAILABLE FOR ECONOMIC DEVELOPMENT

STRATEGY	ACTIONS	TIMELINE
1.A. Explore internal resources available for economic development	Implement a Housing and Redevelopment Authority (HRA) levy	Short Term
	Create an Economic Development Authority (EDA) and implement levy	Short Term
	Evaluate tax increment financing (TIF) pooling and formulate a policy to ensure it's maximized on future TIF districts	Short Term
	Establish a revolving loan fund for businesses	Short Term
1.B. Evaluate resources necessary to accomplish goals identified in this Economic Development Strategic Plan		Short Term
1.C. Review and update public financing policies to determine where, when, and how public assistance will be provided (i.e. minimum qualifications, desired qualifications, community return on investment, etc.)		Short Term
1.D. Strengthen external relationships with local and regional funding agencies		Ongoing

SUCCESS MEASURES

1. Track the development ratio of public to private funds invested
2. Update public financing policies
3. Track capitalization of internal and external resources available for economic development
4. Implementation of this economic development strategic plan

GOAL 2: EXPAND EXISTING BUSINESSES AND PROMOTE ENTREPRENEURSHIP

STRATEGY	ACTIONS	TIMELINE
2.A. Establish a formal Business Retention and Expansion (BRE) Program	Assess human capital availability, annual budget appropriation, and technology necessary	Short Term
	Identify individuals and/or groups of individuals who will manage, monitor, and evaluate the program, as well as individuals and/or groups who will implement the BRE program and administer site visits	Short Term
	Formalize business visitation process and surveying parameters	Short Term
	Promote BRE program to the local business community	Short Term
2.B. Identify opportunities to assist entrepreneurs and start-up businesses		Ongoing
2.C. Increase outreach to and understanding of local home-based businesses to assess growth potential, technical needs, and market opportunities		Ongoing
2.D. Encourage development of co-working, maker spaces, commercial kitchens, and other small business and entrepreneurial space needs in Lakeville		Long Term
2.E. Work with public and private partners to foster affordable commercial space solutions		Ongoing
2.F. Identify an internal funding mechanism to provide assistance to small businesses		Long Term

SUCCESS MEASURES

1. Track the development ratio of public to private funds invested
2. Track total amount of grant funds secured and received
3. Track number of site visits to assess businesses needs

GOAL 3: ESTABLISH LAKEVILLE'S COMPETITIVE EDGE

STRATEGY	ACTIONS	TIMELINE
3.A. Enhance awareness and image of Lakeville and its opportunities	Perform a marketing audit to assess Lakeville's current marketing content, and refresh content, taglines, and data as needed	Short Term
	Identify and engage with external partners and organizations (i.e. local real estate brokers, site selectors, developers, banks, regional trade organizations, professional groups and other special interest groups)	Ongoing
	Identify underutilized properties and areas of development opportunities	Ongoing
	Promote small town feel, big City opportunities	Ongoing
	Solicit and leverage testimonials from local business who endorse Lakeville as a great place to do business (i.e. tell Lakeville's story through firsthand experiences and decision making – why do businesses choose Lakeville?)	Short Term
	Enhance relationships with external partners (i.e. Chamber of Commerce, School Districts, Dakota County Technical College, Dakota-Scott Workforce, Greater MSP, Minnesota Department of Employment and Economic Development and other quasi-governmental entities)	Ongoing
	Create a detailed package of promotional materials and industry-specific marketing materials – online and print materials	Long Term
	Proactively promote development opportunities and available sites within Lakeville	Ongoing

3.B. Address initiatives to support workforce retention and attraction	Conduct an occupational data analysis to assess qualifications, skills and abilities of current workforce	Long Term
	Continue to partner with local school districts – ISD 192, 194, and 196, Dakota County Technical College, Dakota-Scott Workforce Development Board, local business advocates such as the Chamber of Commerce, regional advocacy groups, and local businesses	Ongoing
	Evaluate opportunities to leverage the Department of Labor and Industry's Dual-Training Pipeline and Youth Skills Training Programs	Ongoing
	Continue the collaborative efforts with the Chamber of Commerce on implementing Lakeville Works	Ongoing
	Explore and encourage Lakeville Works to include ISD 192 and 196	Short Term
	Leverage Dakota County Technical College and CareerForce for business training programs	Ongoing
	Promote and encourage Lakeville's school districts to continue and expand their STEM (science, technology, engineering, and mathematics) programs at all grade levels	Ongoing
	Connect businesses to training and employment resources	Ongoing
	Identify opportunities for diversity and affordable housing options (i.e. zoning changes to lot widths, sizes and allowable densities, and partnering with developers on affordable ownership and rental projects)	Long Term
	Update City public financing policies to define parameters around providing public assistance for housing projects, if any	Long Term

3.C. Invest in transportation efforts that maintain and improve access to commercial nodes and corridors	Assess the viability of the Metropolitan Council's plan of Cedar Avenue to understand the future plan for bus rapid transit (BRT)	Short Term
	Analyze selected transit stops to determine if market demand exists based on the surrounding commercial and multi-family housing	Short Term
	Coordinate transportation planning and implementation with Dakota County on County State Aid-Highway (CASH) infrastructure improvements that impact industrial districts, and commercial nodes and corridors, specifically establishment of an east/west principal arterials and future minor and major collectors	Ongoing
	Evaluate access and connections of sidewalks, parks, and trails to and between industrial districts, and commercial nodes and corridors	Ongoing
	Collaborate between community development and public works departments to ensure future Comprehensive Plans address commercial and industrial growth – infrastructure investment and preserving undeveloped land	Ongoing

SUCCESS MEASURES

1. Track analytics for the City's economic development webpage
2. Track number of businesses relocating and expanding within Lakeville
3. Measure number of jobs created and retained
4. Track average wage levels overtime
5. Measure net increase in commercial and industrial square footage
6. Track number of available sites, sale information, and what was developed
7. Track participation numbers and results from Lakeville Works and STEM programing

GOAL 4: STRENGTHEN LAKEVILLE'S LOCAL TAX BASE

STRATEGY	ACTIONS	TIMELINE
4.A. Encourage growth and diversification of local tax base	Promote development opportunities and reinvestment in existing properties	Ongoing
	Cultivate working relationships with local and regional economic development partners, such as the local Chamber of Commerce, educational institutions, Dakota County, Greater MSP and DEED	Ongoing
	Respond to site selector requests for information and proposals on potential development sites from DEED and Greater MSP	Ongoing
4.B. Identity target industries for attraction	Evaluate the need to conduct and perform a sector industry analysis and/or industry cluster analysis	Short Term
	Engage with a site selector(s) to review areas for opportunity, evaluate development sites, and market sites to companies	Ongoing
4.C. Foster employment growth with livable wage opportunities	Direct City assistance to projects with job density and higher wages	Ongoing

SUCCESS MEASURES

1. Measure increased market value and tax base growth year-over-year
2. Track number of RFIs and RFPs submitted by the City
3. Identify two or more target industries and produce target industry profiles for each

GOAL 5: ENHANCE LAKEVILLE'S DISTINCT INDUSTRIAL AND COMMERCIAL DISTRICTS

STRATEGY	ACTIONS	TIMELINE
5.A. Encourage infill and redevelopment opportunities that strengthen district character		Ongoing
5.B. Consider small area plans where appropriate		Ongoing
5.C. Engage development community around opportunities for plan implementation		Ongoing
5.D. Explore enhanced linkages between development districts and adjacent neighborhoods		Ongoing
5.E. Assess placemaking initiatives to brand areas of Lakeville		Ongoing
5.F. Facilitate collaboration between the Lakeville Convention Center & Visitor Bureau and the Chamber of Commerce to promote commercial corridors and nodes	Evaluate other fairs and festivals to promote retail and small business operations (i.e. food truck festivals, restaurant weeks, etc.)	Ongoing

SUCCESS MEASURES
1. Track and report on efforts made to enhance the distinct industrial and commercial districts

Appendix A – Program Structural Considerations

Public assistance is provided in many different forms. Structural consideration must be given when determining program feasibility since it directly influences the impact and outcome of a program. This section summarizes different types of program structures to start building a framework for future programs. Generally, there are two main categories – grants and loans – and each category has several variations for consideration.

GRANT PROGRAMS

Project Grants: These grants usually fund 100% of specific costs. Project grants are most often competitive and available to eligible organizations and individuals through an application process.

Pros	Cons
• Leverages internal resources to facilitate a desired outcome • Highly competitive since recipient would not have to repay the funds • May be less administratively time consuming than loan programs which require recording loan documents against the property	• Program funds may be depleted rather quickly • May be harder to claw back funds if not used as intended • Recipient may not use funds efficiently

Matching Grants: These grants require recipients to contribute a specified amount towards project costs. Matching grants may be offered competitively or non-competitively throughout the year.

Pros	Cons
• Encourages organizations and individuals to efficiently manage project costs	• Requires recipient to source matching funds
• Program funds typically stretch further and can benefit more recipients	• May be harder to claw back funds if not used as intended
• May be less administratively time consuming than loan programs which require recording loan documents against the property	
• Leverages external resources	
• Requires organizations and individuals to have "skin in the game"	

LOAN PROGRAMS

No-Interest Loans: These loans do not require recipients to repay any interest on the funds borrowed, provided that the recipients meet certain requirements for repayment on the principal amount.

Low-Interest Loans: These loans require recipients to begin repaying principal and interest following distribution of funds. While interest rates are below conventional financing rates, the interest charged usually at a minimum, covers the cost of the lender to make and service the loan. Interest rates may range between 1% - 3%.

Deferred Loans: These loans do not require recipients to repay principal and interest during a specific period of time or until a specific event happens, such as a sale or transfer of ownership. Deferred loans may or may not have an interest rate component.

Forgivable Loans: These loans are typically structured as deferred loans that convert into a grant when a specific event occurs. Most often a recipient will cover the issuance cost and only repay it if a specific event doesn't occur within a specified period of time.

Pros	Cons
• Encourages organizations and individuals to efficiently manage project costs	• May create barriers for future development since funds may be required to be repaid, except for forgivable loans
• Funds will eventually be repaid and recycled back into the program for future use, except for forgivable loans	• Higher administration costs related to issuance and servicing of the loans
• Funds may be clawed back if recipient doesn't use them as intended or does not achieve the desired outcome	• Recipient may not have the means or a revenue stream to payback principal and/or interest over time

Each program structure has pros and cons related to its use and application. Evaluating the best option for a program, however, comes down to the impact and outcomes desired – the reason, or reasons, for establishing it.

For instance, if the main reason to create a program is to incentivize something with the lowest possible cost to the recipient, then a grant or a forgivable loan may be the best option since it would cover the up-front cost and not need to be repaid. However, if the main reason to create a program is to incentivize something with the expectation that the assistance would be repaid, then a loan other than a forgivable one would be the best option since it would cover the upfront cost of demolition but would eventually be repaid.

Appendix B – City Resources for Economic Development

When it comes to securing program resources there are two fundamental questions that must be contemplated: From where is the money going to come? And is it on a recurring basis? Successful implementation of this Strategic Plan and future programs for economic development will require attention to the balance between City priorities and available resources. Resources for economic development may be secured from a variety of external partners in the form of grants and loans. This section contemplates a few City-controlled options available for economic development purposes, but it is not intended to be an exhaustive list. These City resources are often leveraged with other outside funding sources to accomplish City economic development objectives.

HOUSING AND REDEVELOPMENT AUTHORITY (HRA)

Under MN Statues, cities are allowed to establish a housing and redevelopment authority (HRA) and levy a special tax on all taxable property within the area of operation of the authority. Lakeville has an established HRA but does not levy a special tax. If Lakeville decided to levy a special tax under their HRA powers, the amount of the levy would be set by the authority and may not exceed 0.0185% of the estimated market value in the City. If the maximum amount of a levy was approved, the resources available to Lakeville would be around $2,357,915 based on estimated market values for pay 2024.

Use of these resources could be for housing or redevelopment projects where the HRA is meeting one of its stated purposes under the HRA Act. Generally, purposes of an HRA are to provide adequate, safe, and sanitary dwelling for low-income individuals, as well as clearance and redevelopment of blighted areas.

ECONOMIC DEVELOPMENT AUTHORITY (EDA)

Under MN Statutes, cities are allowed to establish an economic development authority (EDA) and levy a tax in any year for the benefit of the authority. If Lakeville decided to levy a tax under EDA powers, the amount of the levy would be set by the authority and may not exceed 0.01813% of the estimated market value in the City. If the maximum amount was levied, the resources available to Lakeville would be around $2,310,756 based on estimated market values for pay 2024.

Use of these resources could be for various economic development projects that promote growth. Generally, primary powers of an EDA are to promote business development and recruitment of new businesses. EDAs effectively bridge the divide between what HRAs and Port Authorities are allowed to do. This allows cities to create more flexible options to provide business and development assistance.

PORT AUTHORITY

Under MN Statutes, cities are allowed to establish a Port Authority and levy a tax in any year for the benefit of the authority. If Lakeville decided to levy a tax under Port Authority powers, the amount of the levy would be set by the authority and may not exceed 0.01813% of the estimated market value in the City. If the maximum amount was levied, the resources available to Lakeville would be around $2,310,756 based on estimated market values for pay 2024.

Use of these resources could be for promote the general welfare of a port district, increase the commercial efficiency of the district, and actively improve business opportunities. Generally, the powers of a Port Authority are more expansive of an HRA or EDA.

TAX INCREMENT FINANCING (TIF):

Tax increment financing (TIF) is a method of stimulating economic development in a targeted geographic area within a community. Tax increment is generated from creation of new value (i.e. construction of new development, rehab of existing properties, and/or property appreciation) being created within a TIF district over and above the base value. Currently, there are five main types of TIF districts, and they include a 1) Redevelopment District, 2) Renewal and Renovation District, 3) Housing District, 4) Soils Condition District, and 5) Economic Development District. Each type of TIF district has its own establishment requirements and eligible activity for which tax increment may be used to reimburse or pay for various costs and incentives.

Use of tax increment may be used is several ways including but not limited to redevelopment of obsolete and substandard buildings, construction of affordable housing, cleanup of contaminates properties, general economic development incentives, public infrastructure, administration, and certain activities outside of the TIF district – commonly referred to as TIF pooling.

While TIF is commonly associated with being an important mechanism for cities to incentivize development and redevelopment, cities are able to leverage tax increment in other ways to implement their economic development strategies. For instance, TIF pooling allows cities to use between 20% to 25% of total revenues derived from tax increments outside of the TIF district but within the development district, and up to 10% of tax increment collected on administrative expenses. Note: since administrative expenses are considered an expenditure outside of the TIF district, the amount of TIF pooling availability will reduce accordingly. Meaning, if a city's administrative costs for a TIF district are 10%, this reduces the TIF pooling availability down to 10% to 15% depending upon the type of TIF district.

TAX ABATEMENT:

Tax abatement is another mechanism for cities to incentivize development and promote local economic growth. The benefit of tax abatement is it's more flexible than TIF, however it will generally create a lesser amount of a development incentive. The reason for this is because every local taxing jurisdiction must approve being a part of the tax abatement where TIF every local taxing jurisdiction is a de facto partner as long as the city approves the TIF district. Many times, tax abatements for economic development only include the city's portion of property taxes. When used for economic development, tax abatements are essentially used to reduce a landowners property taxes or deferment of property tax payments.

Date: 9/23/2024

Long-Term Financial Management Plan Update

Proposed Action

No formal action required. Staff is seeking general feedback from the Council on the Plan.

Overview

The City's municipal advisor, Northland Securities Inc. (NSI), first presented the full 99-page Long-Term Financial Management Plan (LTP) to the City Council in August 2020. Since then, city staff and NSI have updated the model each year and presented the summary Property Tax Levy, Tax Capacity and Tax Rate every November as part of the year-end preview and final budget discussions before final levies and budgets are adopted in December.

Due to staff work demands for the ERP implementation, the City contracted with NSI to update the models that support the LTP for this fiscal year. The LTP covers the General Fund, Debt Service Funds and Capital Projects Funds. The LTP incorporates the Capital Improvement Plan, existing and projected debt issuances, and growth and development assumptions based on current forecasts.

The LTP is intended as an ongoing guide for management of the City's Funds. This plan is meant to provide an overview of the levy and tax impacts of meeting ongoing city operations, capital improvements, and debt service needs. The LTP is not the budget. It is to be used as a guide for the Council in their decisions on establishing the annual budget and levy.

The current draft Plan reflects the following:

1. Proposed 2025 Budget and Tax Levy
2. Proposed 2025-2029 CIP – projects/funding
3. Proposed 2030-2034 Facilities, Equipment, Technology – projects/funding

A current draft of the LTP, including key assumptions, is attached to this agenda report. Tammy Omdal, NSI Managing Director, will be presenting the LTP update at the work session.

Supporting Information

1. Lakeville LTP Technical Memo_NSI

Financial Impact: $n/a **Budgeted:** No **Source:** Various
Envision Lakeville Community Values: Good Value for Public Service
Report Completed by: Julie Stahl, Finance Director

Northland Public Finance

Technical Memorandum

To: Julie Stahl, Finance Director

From: Tammy Omdal, Managing Director
Jessica Green, Managing Director

Date: September 16, 2024

Subject: Long-Term Finance Plan Overview

Introduction

This memorandum provides a summary of Northland's work with the City of Lakeville (the "City") to assist with an update to the City's Long-Term Financial Management Plan (LTP) for the City's General Fund, Debt Service Funds, and Capital Projects Funds (together, the "Funds").

The LTP provides an on-going guide for management of the Funds. The LTP is not the city budget; the annual budget is where decisions are made. The LTP is based on certain assumptions that reflect a "snapshot" in time. Actual annual financial results for the City will impact future updates to the LTP. The LTP is intended to provide a guide for responding to changes in the economy, community, and events that will impact city services including capital improvement plans.

Information on projected property tax levy needed to fund planned city governmental services, capital improvements, and debt service are included in the LTP.

The objectives of the study for the LTP update were as follows:

- Revenue Sufficiency – Update and populate the forecasting model to determine the level of revenue needed to satisfy general government operations and services, capital improvements, and debt service while maintaining adequate reserves for future services and capital needs of the City.

- Levy and Rate Calculations - Model projected future annual City tax levy and tax rate. The LTP includes planned future capital improvements for years 2025-2033 (the "CIP"). Estimates were made by the City for capital improvement project costs and the timing of projects.

While the specific timing of future improvements is uncertain, awareness of the projects and the funding required for each project are important when considering tax levy and level of reserves. Future development of property within the City will provide increased revenue from taxes and charges for services. This is expected to include an increase in revenue to the trunk funds used to account for charges for services collected with the development of land to pay for future water, sanitary sewer, and stormwater infrastructure expansion.

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The rate of future development and timing for addition of new taxpayers is a significant variable for the LTP. The City should continue to monitor actual development against the development assumed in the LTP and adjust other assumptions in the LTP as needed. Future development will impact the projected service demands and revenues included in the LTP.

Revenue Sufficiency

The study for the LTP evaluated the sufficiency of projected revenues to meet current and projected financial needs for the Funds over the next ten years. The LTP includes projection of tax levy for each year of the planning period for revenue sufficiency and the estimated tax rate, based on the assumption for tax levy and future taxable value for the City.

The City has an adopted policy that provides that the City will endeavor to maintain an unrestricted (committed, assigned and unassigned) fund balance in the General Fund of an amount between 40% and 50% of the next year's budgeted expenditures of the General Fund, exclusive of federal or state government transfers. This will assist in maintaining an adequate level of fund balance to provide for infrastructure or staffing adjustments, cash flow requirements and contingency needs. The LTP targets future years' annual General Fund Tax Levy to achieve projected ending fund balance for the General Fund at 45% of expenditures.

Tax Levy and Rate Calculations

The annual City budget process focuses on the tax levy necessary to fund city services. The tax capacity rate is a factor of the annual tax levy certified by the City spread over the net tax capacity (NTC) of the City. The county is responsible for certification of taxable market value and calculates the NTC and the tax capacity rate.

The study for the LTP focused on identifying key assumptions and plans to project future annual tax levy, NTC, and the resulting tax capacity rate. Future tax levy increases will be necessary to fund planned expenditures and to maintain adequate fund balances across the Funds.

A summary of projected annual tax levy, NTC, and tax capacity rate from the LTP are shown in Figure 1.

The tax levy, NTC, and tax capacity rates for 2025-2033 in Figure 1 are estimates based on assumptions in the LTP. The City adopts tax levy on an annual basis. The future tax capacity rate will vary based on adopted annual tax levy and actual NTC certified annually by the county.

Figure 1.
Estimated Tax Levy, Net Tax Capacity, and Tax Rate for the City

Tax Collection Year	Tax Levy (in Millions)	Annual % Change Tax Levy	Net Tax Capacity (in Millions)	Annual % Change Net Tax Capacity	Tax Capacity Rate	Annual % Change Tax Capacity Rate
2024	$43.60	9.6%	$132.64	9.1%	0.3021	1.8%
2025	$49.11	12.6%	$137.41	3.6%	0.3288	8.8%
2026	$53.05	8.0%	$142.28	3.5%	0.3447	4.8%
2027	$57.96	9.3%	$148.12	4.1%	0.3637	5.5%
2028	$59.74	3.1%	$154.12	4.0%	0.3606	-0.9%
2029	$60.52	1.3%	$159.39	3.4%	0.3530	-2.1%
2030	$61.01	0.8%	$164.80	3.4%	0.3439	-2.6%
2031	$62.11	1.8%	$170.25	3.3%	0.3388	-1.5%
2032	$62.86	1.2%	$175.86	3.3%	0.3318	-2.1%
2033	$62.95	0.1%	$181.64	3.3%	0.3212	-3.2%

Note for Figure 1: Tax capacity rate is calculated as tax levy spread over net tax capacity. Tax levy in Figure 1 is net of fiscal disparities distribution. Net tax capacity is calculated by the county and is derived by multiplying class rates by taxable market value, adjusting for fiscal disparities contribution and captured tax capacity within tax increment financing districts.

Key Assumptions for LTP Update

The key assumptions used for the study and update to the LTP include the following:

- General fund tax levy is assumed to increase at amounts needed to support planned spending and reserves required by policy in the General Fund.
- General fund non-tax revenue is estimated to increase by 1.0-2.0% over the planning period, depending on the source. There are no major changes assumed for non-tax revenue.
- Non-personnel costs for materials and supplies, and other operating costs, including professional services, are estimated to increase by approximately 2.0-3.0% annually, depending on the item.
- Personnel costs are estimated to increase by approximately 3.5% annually plus adjustments for changes to staffing levels commensurate with plans to achieve total annual average change in tax levy for the General Fund of approximately 3.5%.
- Taxable market value of property in the City is conservatively projected for planning purposes to increase by 2.0% annually between tax years 2026-2033. This compares to an increase of 4.35% for Pay 2025, based on preliminary estimates from Dakota County.
- Tax capacity from new construction is estimated to average approximately $2.5 million annually between 2025-2033. This is equivalent to approximately 2.0% of the City's current Pay 2024 net tax capacity.
- Tax increment financing districts will be decertified in 2027, 2028, and 2029 resulting in an approximate cumulative $500,000 reduction in captured net tax capacity. This is equivalent to approximately 0.4% of the City's current Pay 2024 net tax capacity.
- Fiscal disparities distribution of dollars and contribution of tax capacity are projected to increase by 2.0% annually.
- Total capital spending of approximately $390 million in the Funds between 2025-2033, funded from a combination of intergovernmental revenues, cash, special assessments, franchise fee revenue, and bond proceeds, among other sources.
- Total new bond issuance of approximately $140 million in the Funds between 2025-2033 to finance approximately just over a third of the total capital spending.
- Debt service on the existing outstanding bonds and new bonds is planned to be supported by a combination of tax levy, franchise fees, and special assessments, among other sources, depending on the purpose of the issuance.
- Franchise fees revenue cannot be pledged to bonds but can be used to cancel pledged tax levies for bonds. The LTP assumes the City will use revenue from franchise fees to cancel tax levy for certain planned new bonds to be issued to finance facility improvements, including fire stations and the public safety training facility. The annual franchise fee revenue is estimated at approximately $5.1 million. Growth in revenue from franchise fees will likely happen over time with new development; the LTP conservatively holds the franchise fee revenue estimate constant at $5.1 million annually.

- Revenue from the Liquor Stores Fund (Enterprise Fund) is estimated to provide average annual revenue of approximately $1.9 million to the Funds between 2025-2033.

Exhibits to Memorandum

The exhibits that follow provide a snapshot of information from the LTP.

- Exhibit 1 Property Tax Levy, Net Tax Capacity, and Tax Rate
- Exhibit 2 Annual Change in Property Tax Levy and Tax Rate
- Exhibit 3 City Tax Capacity Rate
- Exhibit 4 Total City Tax Levy Chart
- Exhibit 5 Residential City Property Tax
- Exhibit 6 Commercial-Industrial City Property Tax
- Exhibit 7 Ending Cash Balances for Funds
- Exhibit 8 Capital Projects Funds Cash Balances
- Exhibit 9 CIP Use of Funds
- Exhibit 10 CIP Source of Funds
- Exhibit 11 Planned New Bond Issuance by Fund
- Exhibit 12 Total Debt Service (Existing and Planned New Bonds)
- Exhibit 13 Source of Revenue for Debt Service (Existing and Planned New Bonds)
- Exhibit 14 Total Debt Outstanding by Year (Existing and Planned New Bonds)
- Exhibit 15 Projected Debt Balances by Year (Existing and Planned New Bonds)
- Exhibit 16 Tax Levy for Debt Services (Existing and Planned New Bonds)
- Exhibit 17 Amortization of Debt (Existing and Planned New Bonds)
- Exhibit 18 Debt Per Capita

Exhibit 1
PROPERTY TAX LEVY, TAX CAPACITY, AND TAX RATE

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
TAX LEVY										
General Fund	29,509,650	32,977,000	33,966,752	36,546,789	36,998,680	38,049,048	40,124,569	41,651,977	43,233,068	44,069,697
Debt Service Funds	11,537,150	12,773,050	12,799,409	13,431,240	15,791,366	15,586,722	14,755,729	13,550,294	12,998,414	12,854,130
Building Fund	-	-	200,000	250,000	300,000	350,000	400,000	-	-	-
Equipment Fund	-	-	1,800,000	3,200,000	1,500,000	1,600,000	1,000,000	2,000,000	1,600,000	1,000,000
Communications Fund	-	-	200,000	250,000	300,000	300,000	350,000	425,000	450,000	450,000
Trail Improvement Fund	400,000	550,000	750,000	2,150,000	650,000	650,000	650,000	650,000	650,000	650,000
Park Improvement Fund	350,000	450,000	1,025,000	675,000	950,000	675,000	675,000	675,000	675,000	675,000
Technology Fund	-	300,000	300,000	500,000	550,000	450,000	400,000	400,000	400,000	400,000
Pavement Management Fund	1,800,000	1,800,000	2,100,000	2,300,000	2,300,000	2,400,000	2,500,000	2,600,000	2,700,000	2,700,000
Improvement Construction Fund	-	-	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000
TAX LEVY	**43,596,800**	**48,850,050**	**53,296,161**	**59,458,029**	**59,495,047**	**60,215,770**	**61,010,298**	**62,107,271**	**62,861,482**	**62,953,828**
Annual % Change	*9.62%*	*12.05%*	*9.10%*	*11.56%*	*0.06%*	*1.21%*	*1.32%*	*1.80%*	*1.21%*	*0.15%*
Fiscal Disparities Distribution	3,521,814	3,928,377	4,006,945	4,087,083	4,168,825	4,252,202	4,337,246	4,423,991	4,512,470	4,602,720
Net Spread Levy	40,074,986	44,921,673	49,289,216	55,370,946	55,326,222	55,963,569	56,673,052	57,683,280	58,349,011	58,351,108
Annual % Change	*11.1%*	*12.1%*	*9.7%*	*12.3%*	*-0.1%*	*1.2%*	*1.3%*	*1.8%*	*1.2%*	*0.0%*
TAX CAPACITY										
Tax Capacity before New Construction	137,773,924	144,115,010	151,531,936	156,728,494	162,921,849	169,001,536	174,483,091	180,121,385	185,922,969	191,891,314
Tax Capacity from New Construction	4,592,748	4,445,712	2,123,450	2,998,809	2,765,931	2,060,319	2,106,502	2,156,035	2,205,770	2,259,651
Total Tax Capacity	142,366,672	148,560,722	153,655,386	159,727,303	165,687,780	171,061,854	176,589,594	182,277,420	188,128,739	194,150,965
Less Fiscal Disparities TC Contribution	8,872,467	10,309,804	10,516,000	10,726,320	10,940,846	11,159,663	11,382,857	11,610,514	11,842,724	12,079,579
Less TIF Captured Tax Capacity	854,791	843,321	860,187	877,391	628,440	515,351	405,497	413,607	421,879	430,316
NET TAX CAPACITY	**132,639,414**	**137,407,597**	**142,279,199**	**148,123,592**	**154,118,493**	**159,386,840**	**164,801,240**	**170,253,300**	**175,864,136**	**181,641,070**
Annual % Change	*9.10%*	*3.59%*	*3.55%*	*4.11%*	*4.05%*	*3.42%*	*3.40%*	*3.31%*	*3.30%*	*3.28%*
TAX CAPACITY TAX RATE	**0.3021**	**0.3269**	**0.3464**	**0.3738**	**0.3590**	**0.3511**	**0.3439**	**0.3388**	**0.3318**	**0.3212**
Annual % Change	*1.8%*	*8.2%*	*6.0%*	*7.9%*	*-4.0%*	*-2.2%*	*-2.1%*	*-1.5%*	*-2.1%*	*-3.2%*

Exhibit 2
Annual changes in Tax Levy reflects estimated future levies to fund operations and capital improvements and change in Tax Rate is further impacted by assumptions for tax base growth in the LTP

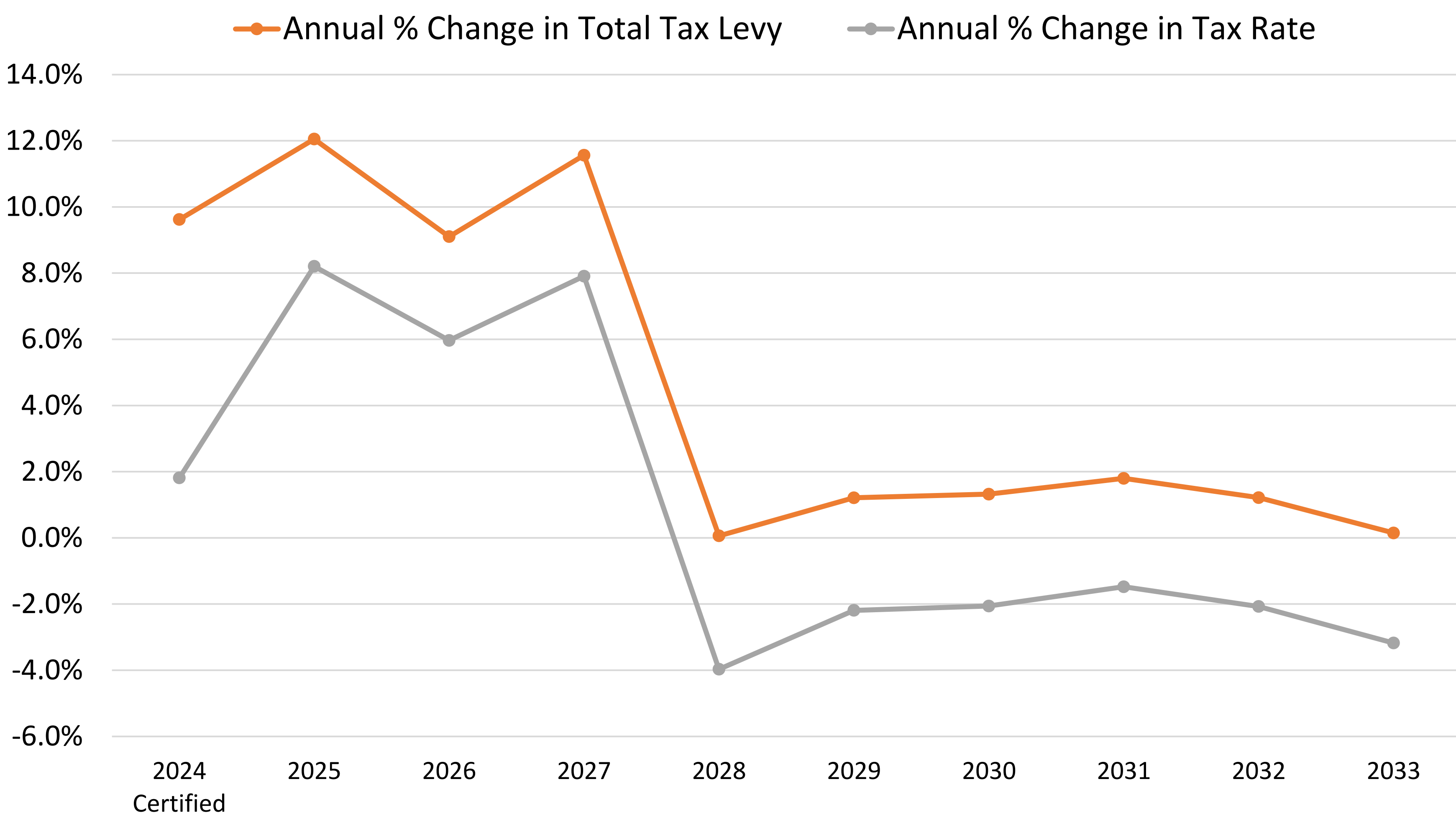


Exhibit 3
City Tax Rate is a factor of Tax Levy and Taxable Market Value (Tax Capacity)

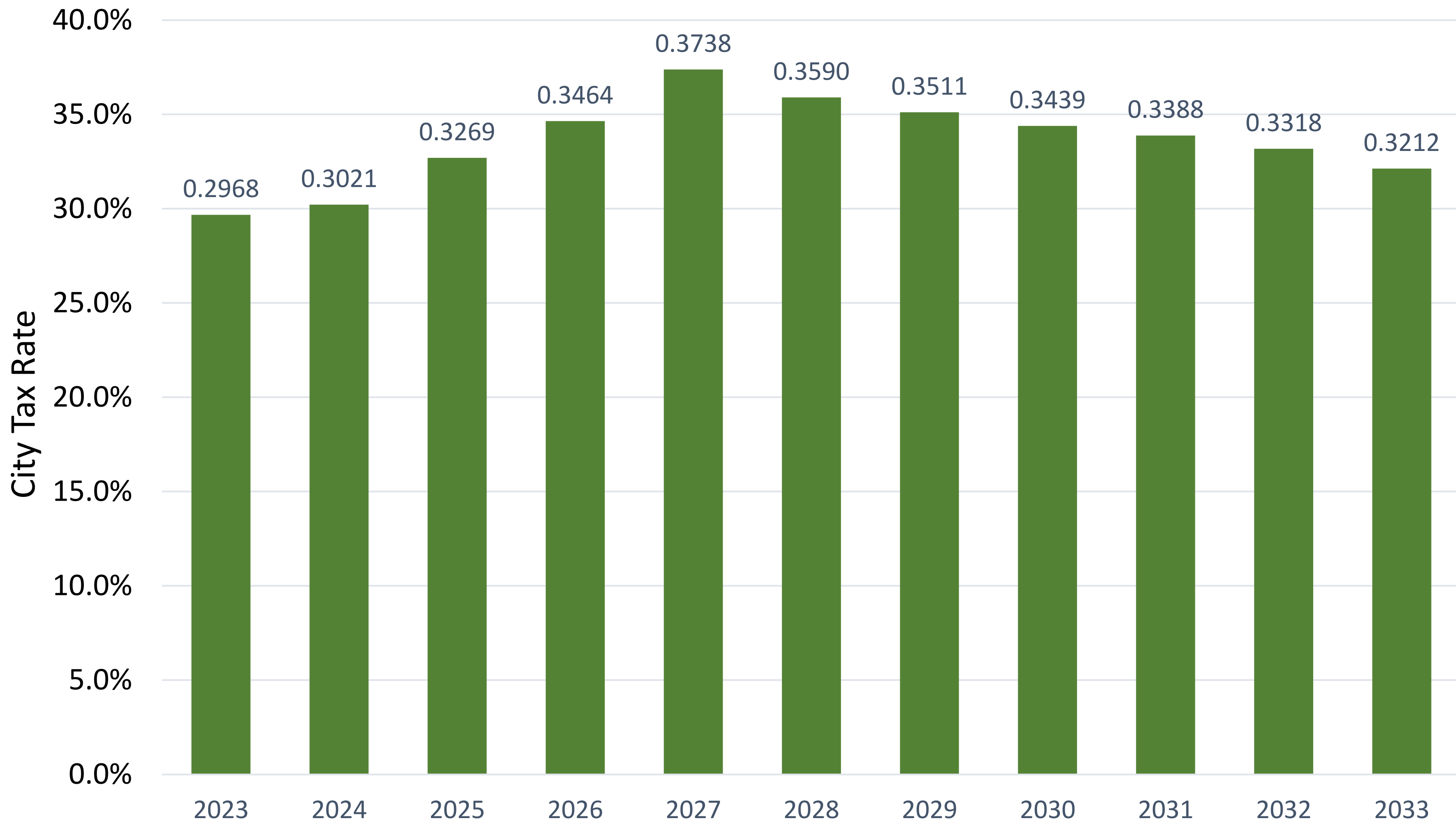


Exhibit 4
Total City Tax Levy All City Funds

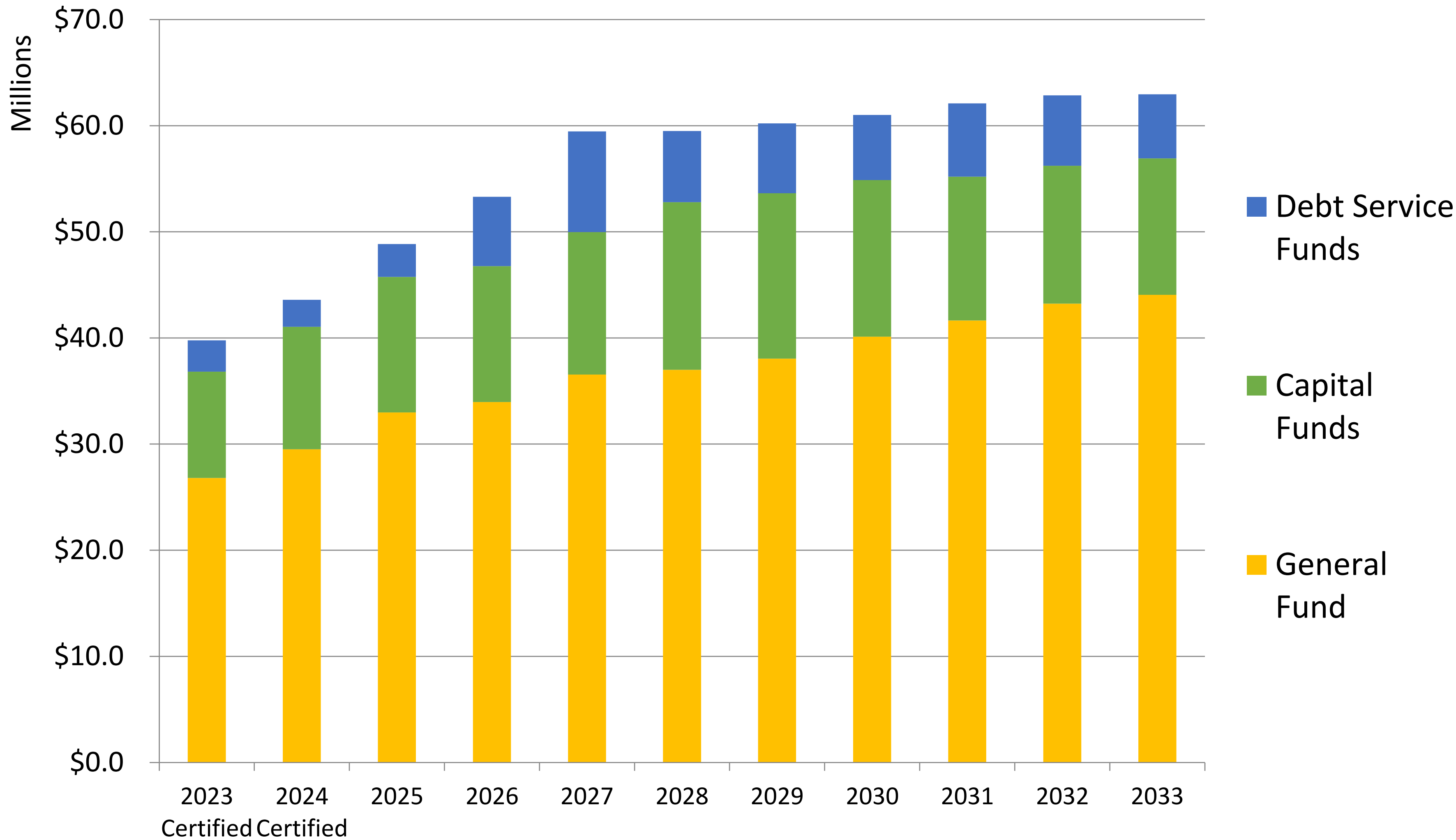


Exhibit 5
Residential Property
City Property Taxes for Different Valued Property

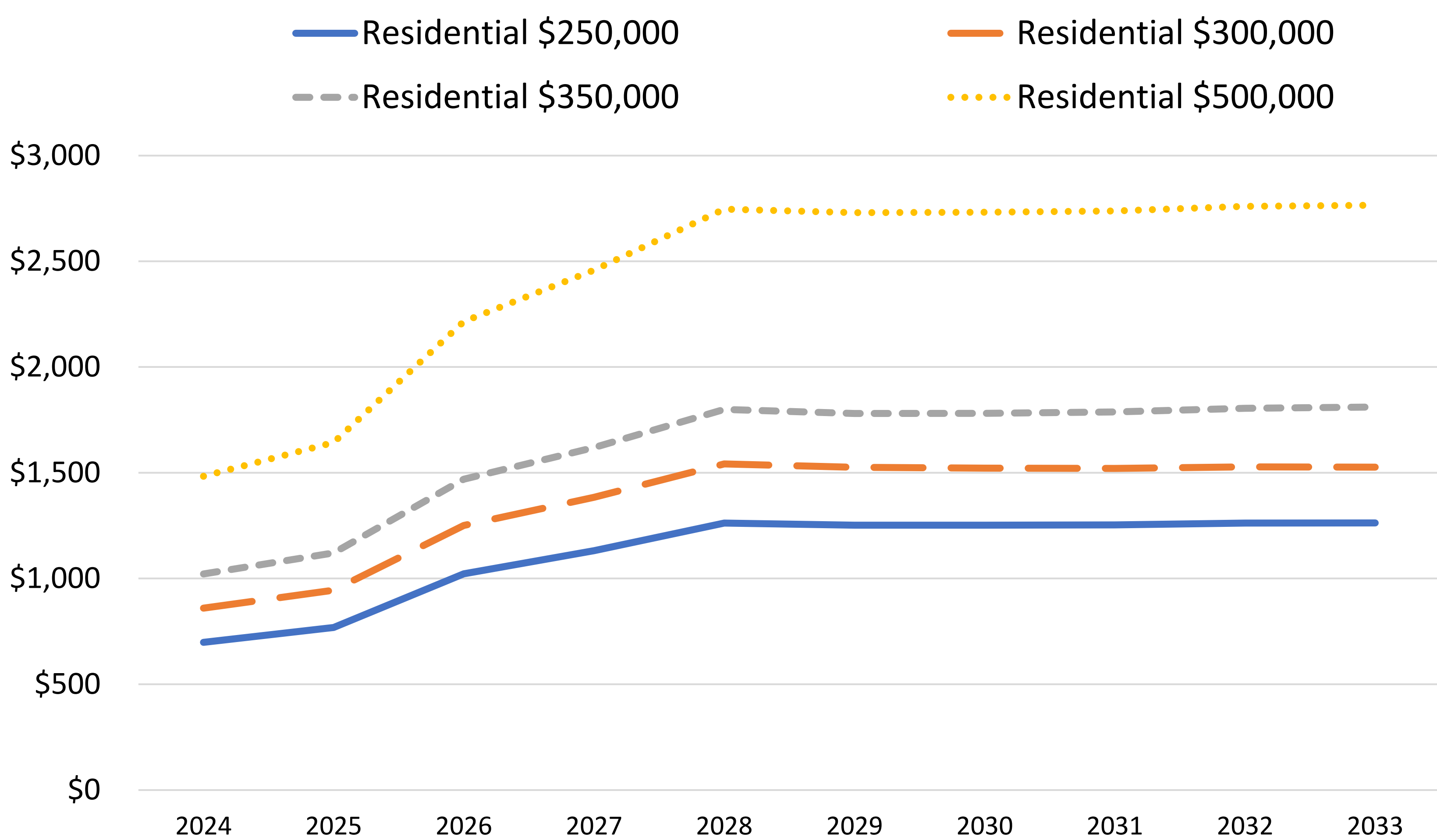


Exhibit 6
Commercial-Industrial Property
City Property Taxes for Different Valued Property

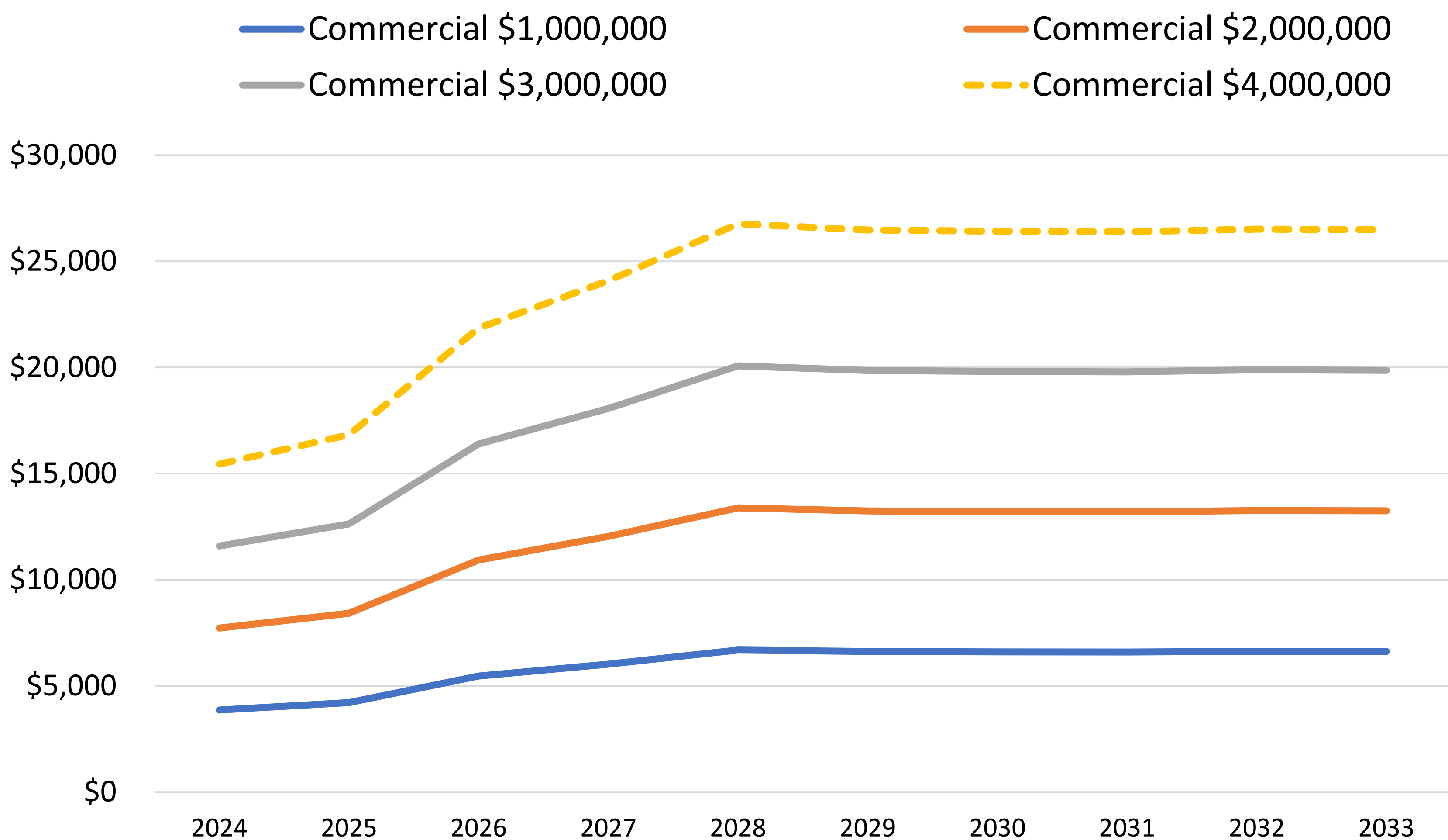
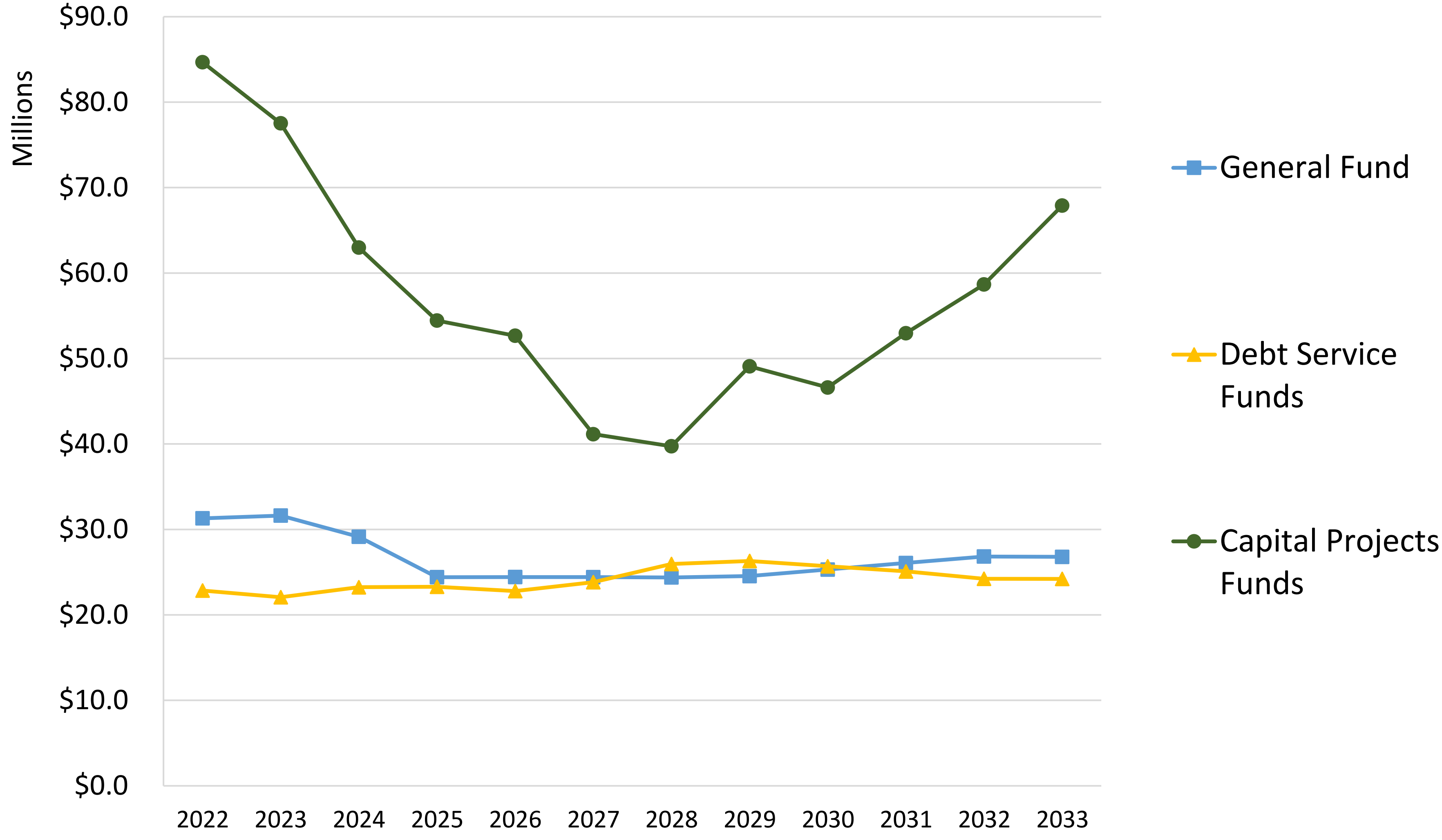


Exhibit 7
Ending Cash Balances are projected to be at levels to meet City objectives for reserves and planned capital improvements



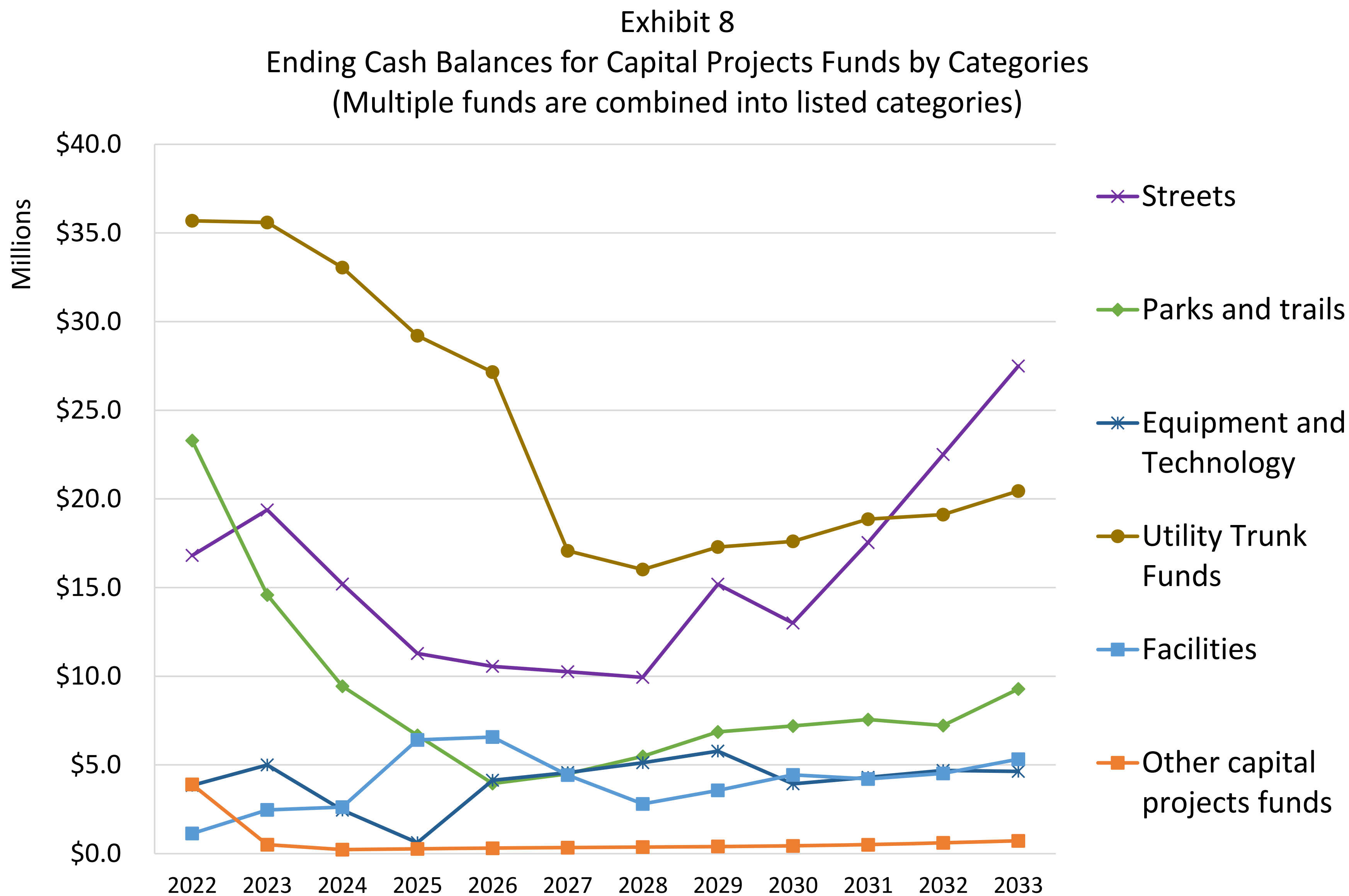


Exhibit 8
Ending Cash Balances for Capital Projects Funds by Categories
(Multiple funds are combined into listed categories)
Millions
$40.0
$35.0
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
Streets
Parks and trails
Equipment and Technology
Utility Trunk Funds
Facilities
Other capital projects funds

Exhibit 9
Capital Improvements Plan Use of Funds (not including Enterprise Funds)

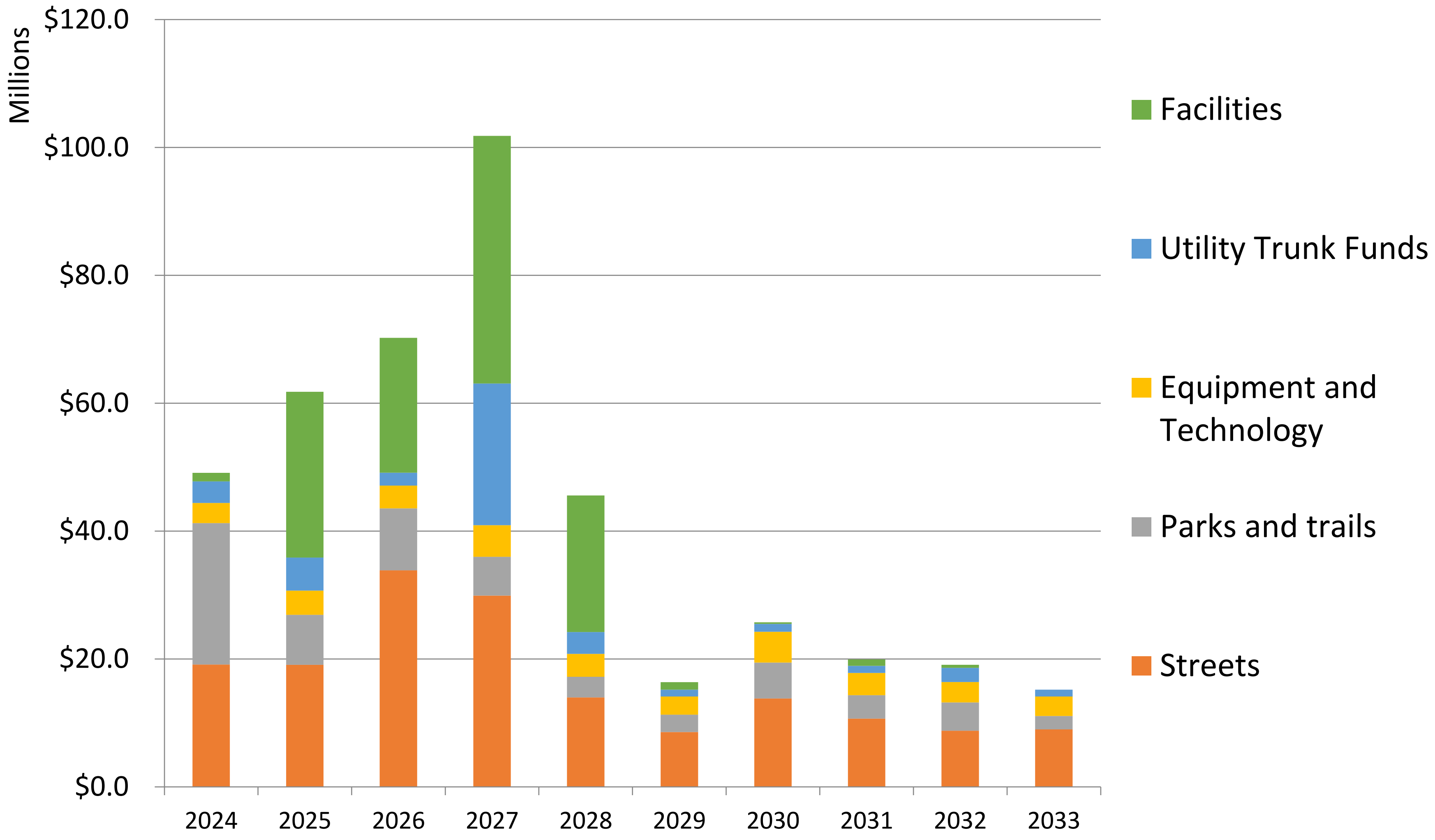
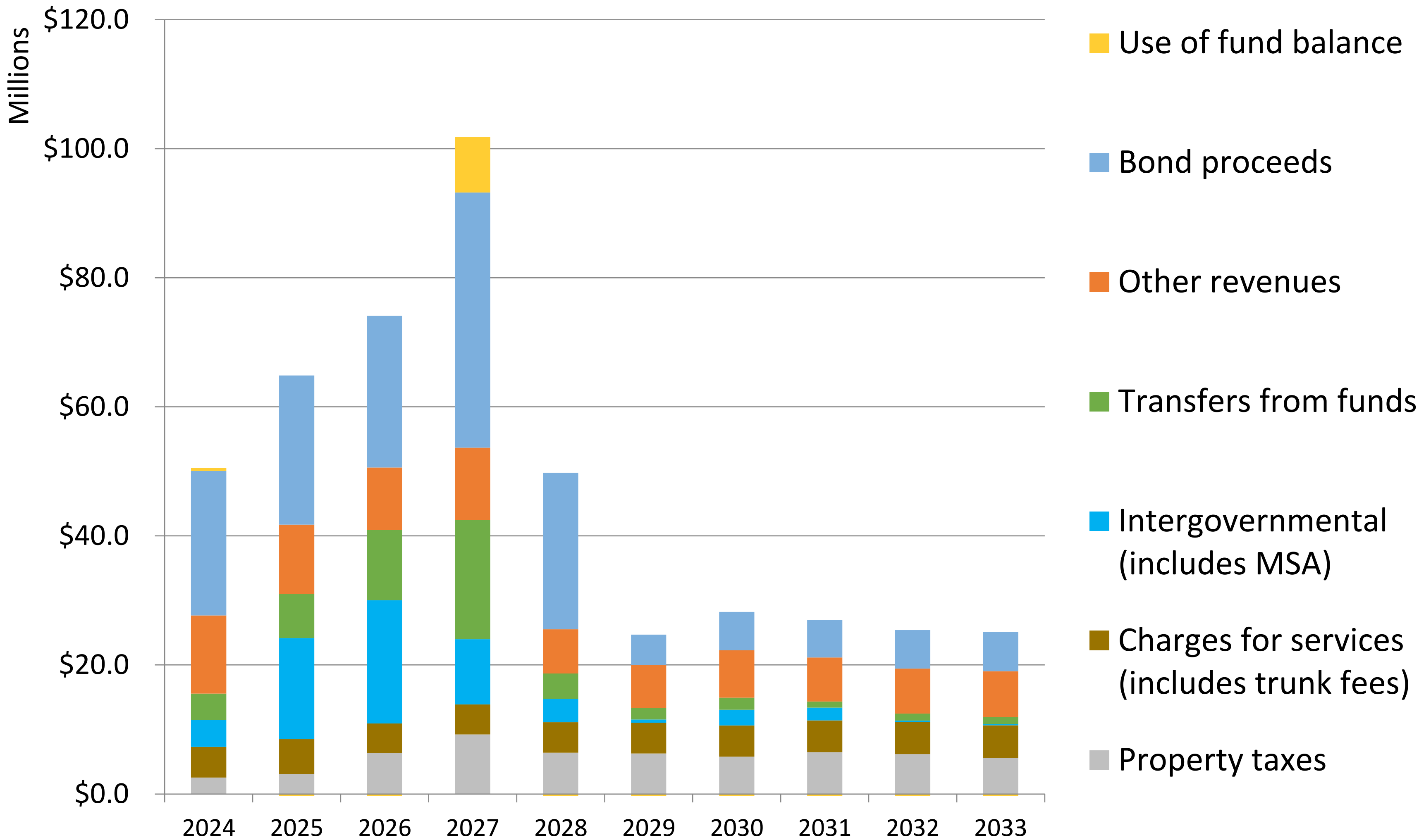


Exhibit 10
Capital Improvements Plan Source of Funds (not including Enterprise Funds)



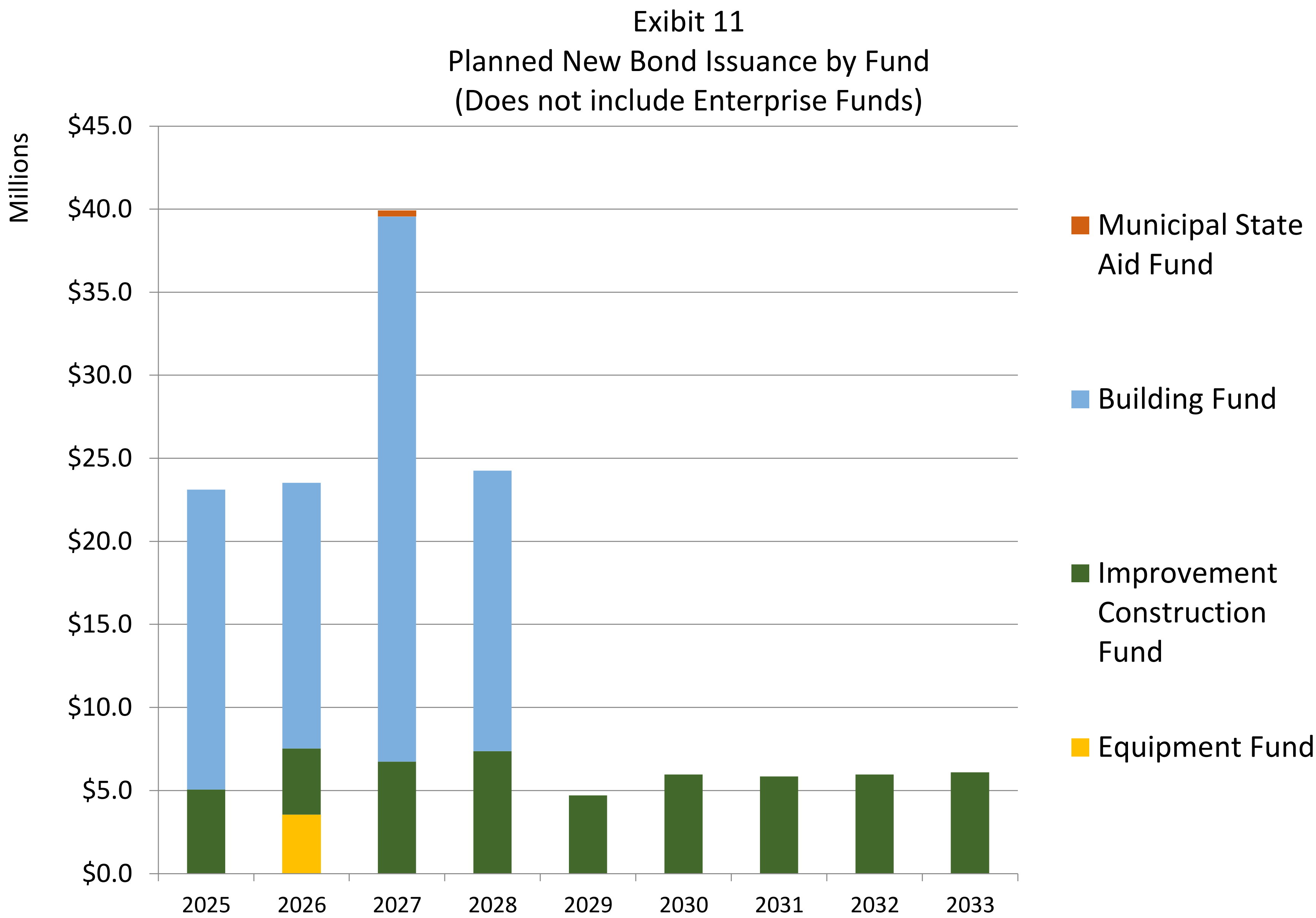
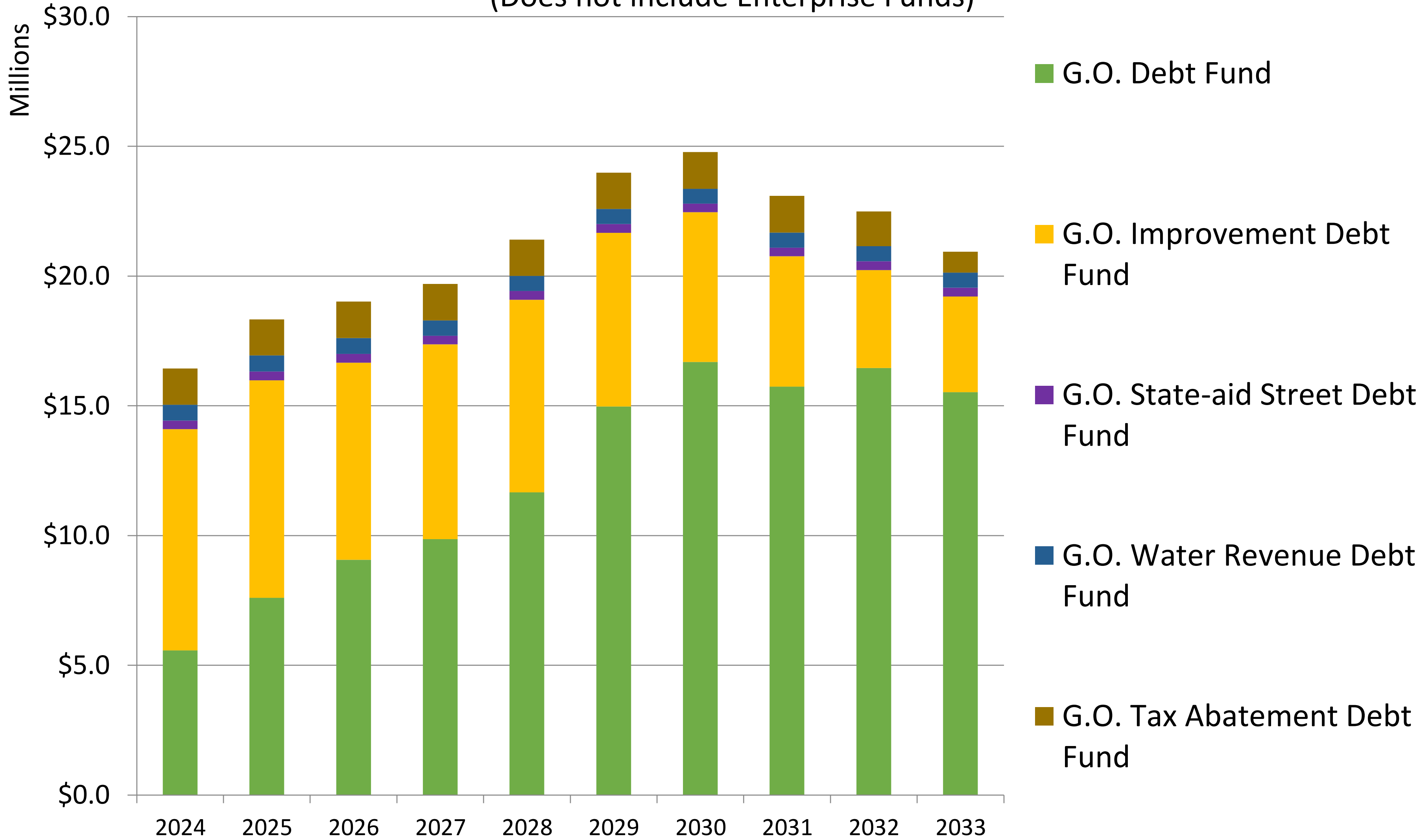

Exibit 11
Planned New Bond Issuance by Fund
(Does not include Enterprise Funds)
Millions
$45.0
$40.0
$35.0
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
2025
2026
2027
2028
2029
2030
2031
2032
2033
Municipal State Aid Fund
Building Fund
Improvement Construction Fund
Equipment Fund

Exhibit 12
Total Debt Service For Existing and Planned New Debt
(Does not include Enterprise Funds)



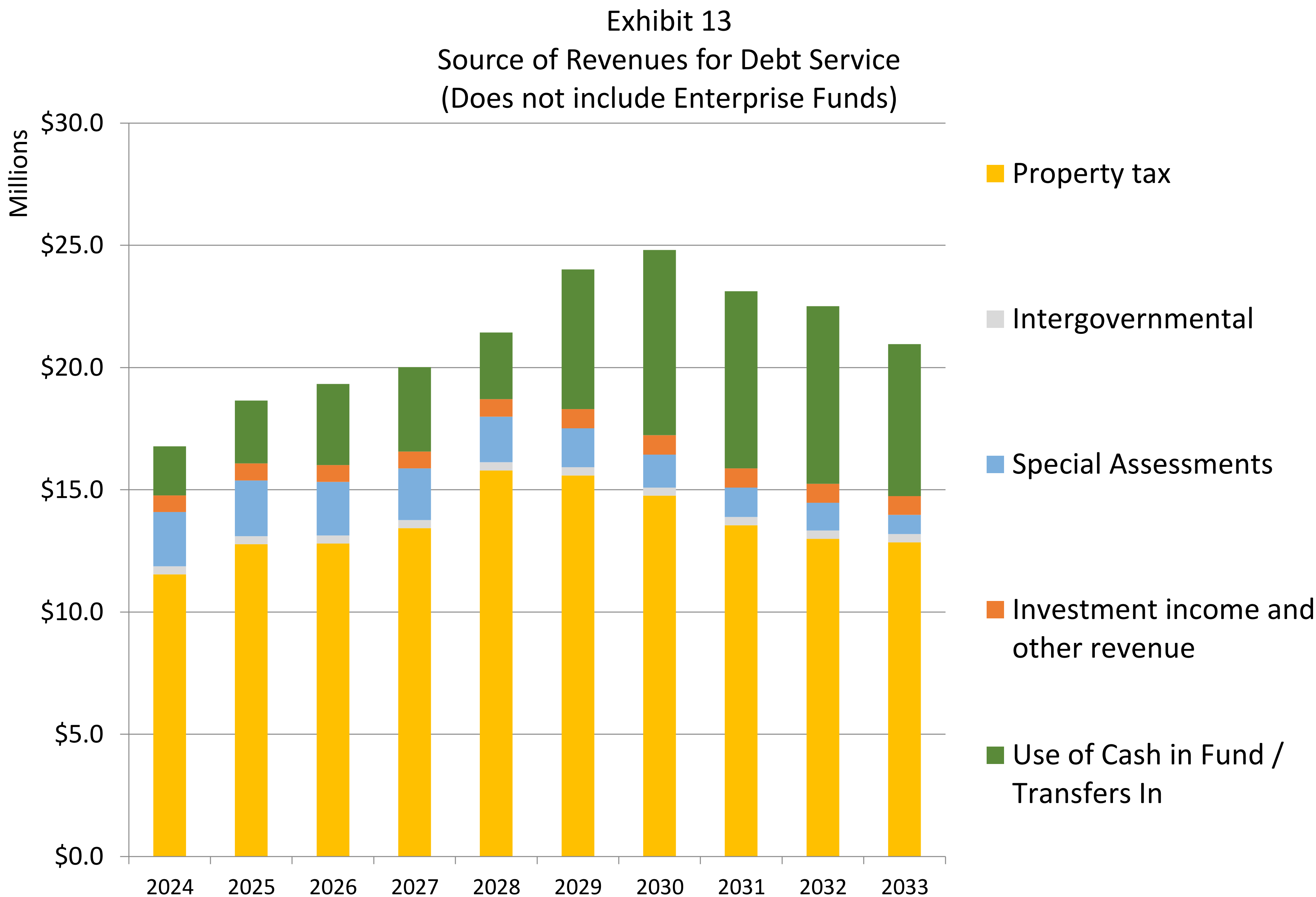


Exhibit 13
Source of Revenues for Debt Service
(Does not include Enterprise Funds)
Millions
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
Property tax
Intergovernmental
Special Assessments
Investment income and other revenue
Use of Cash in Fund / Transfers In

Exhibit 14
Total Debt Outstanding Existing and Planned
(Does not include Enterprise Funds)

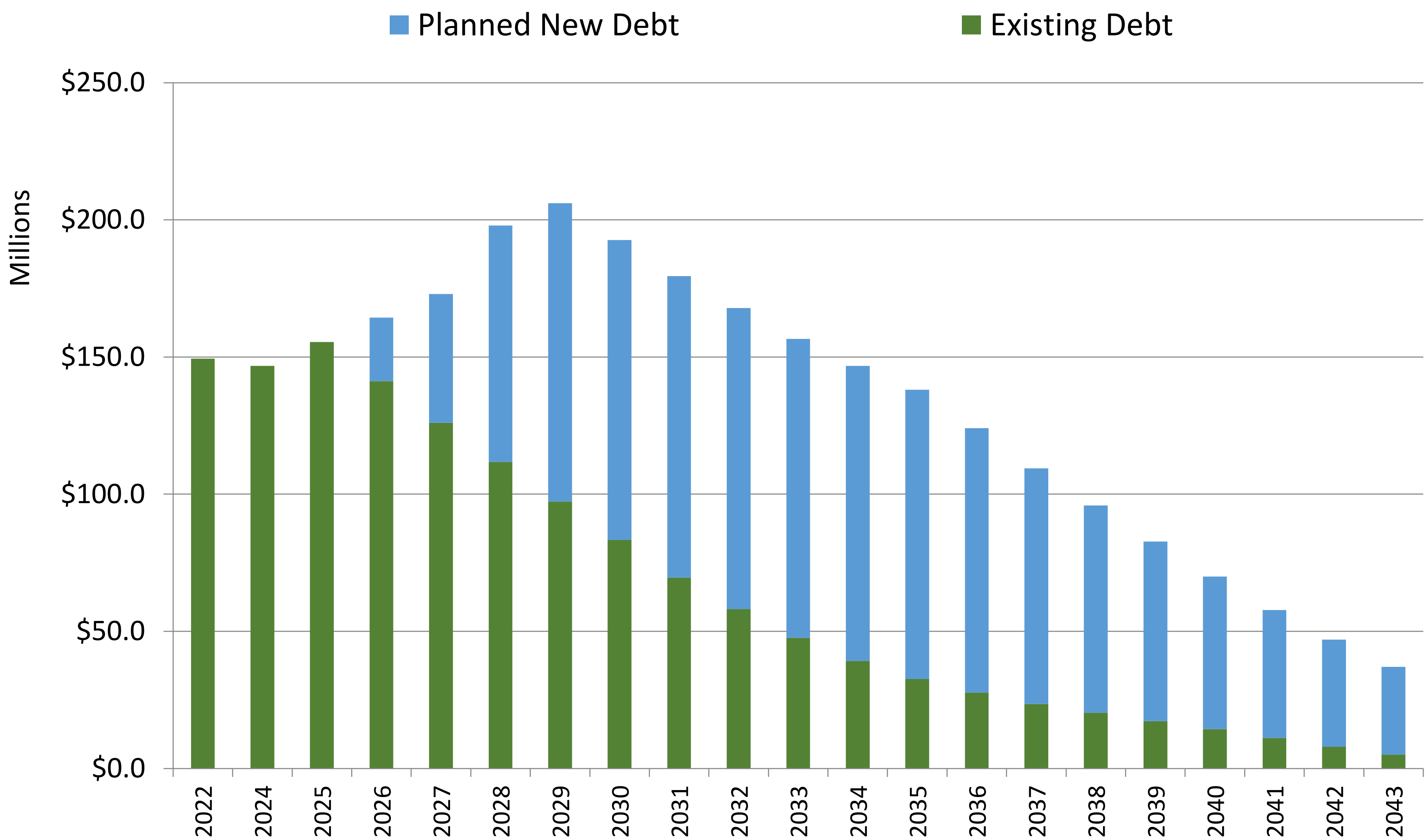


Exhibit 15
Projected Debt Balances
(Does not include Enterprise Funds)

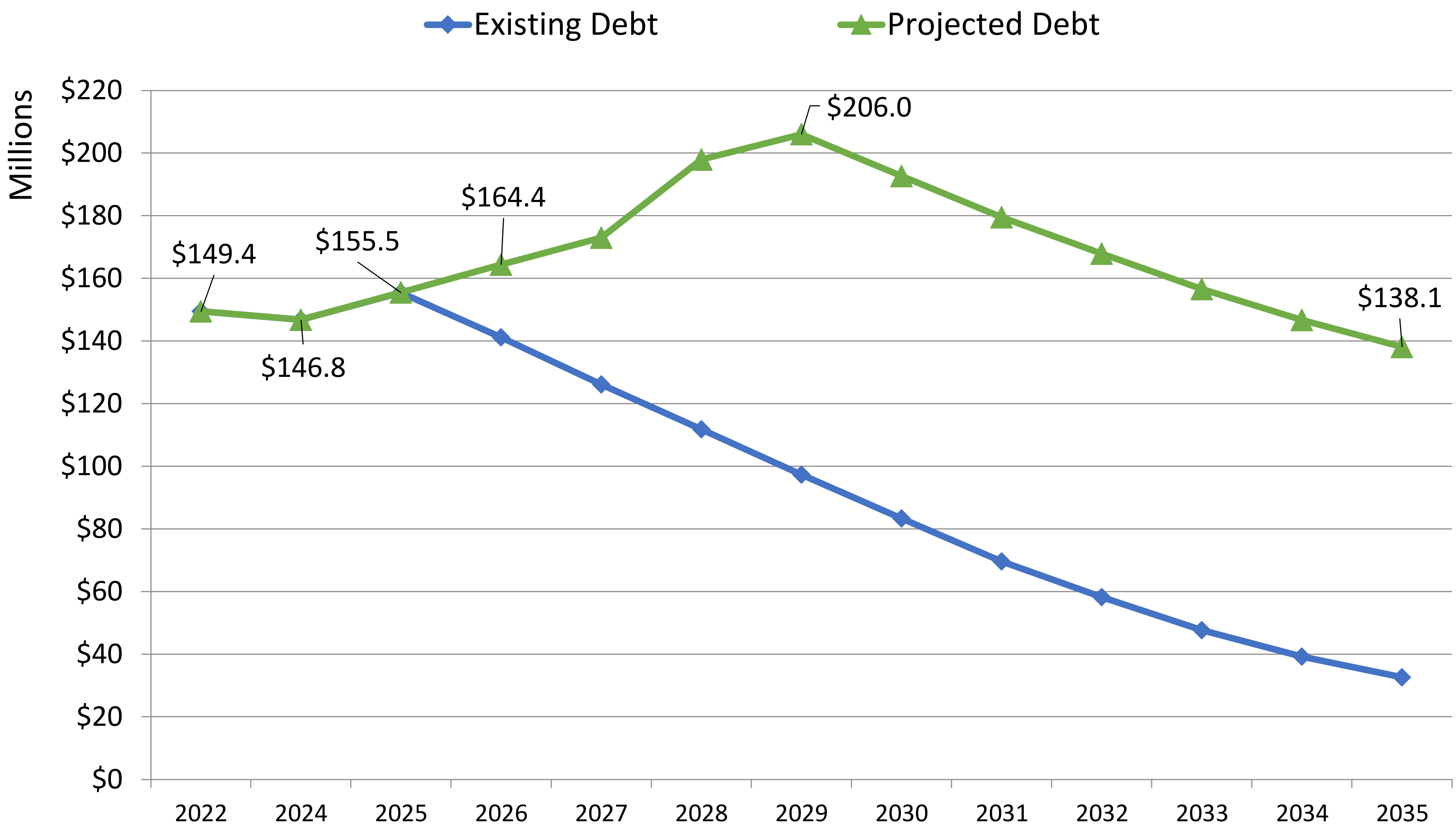
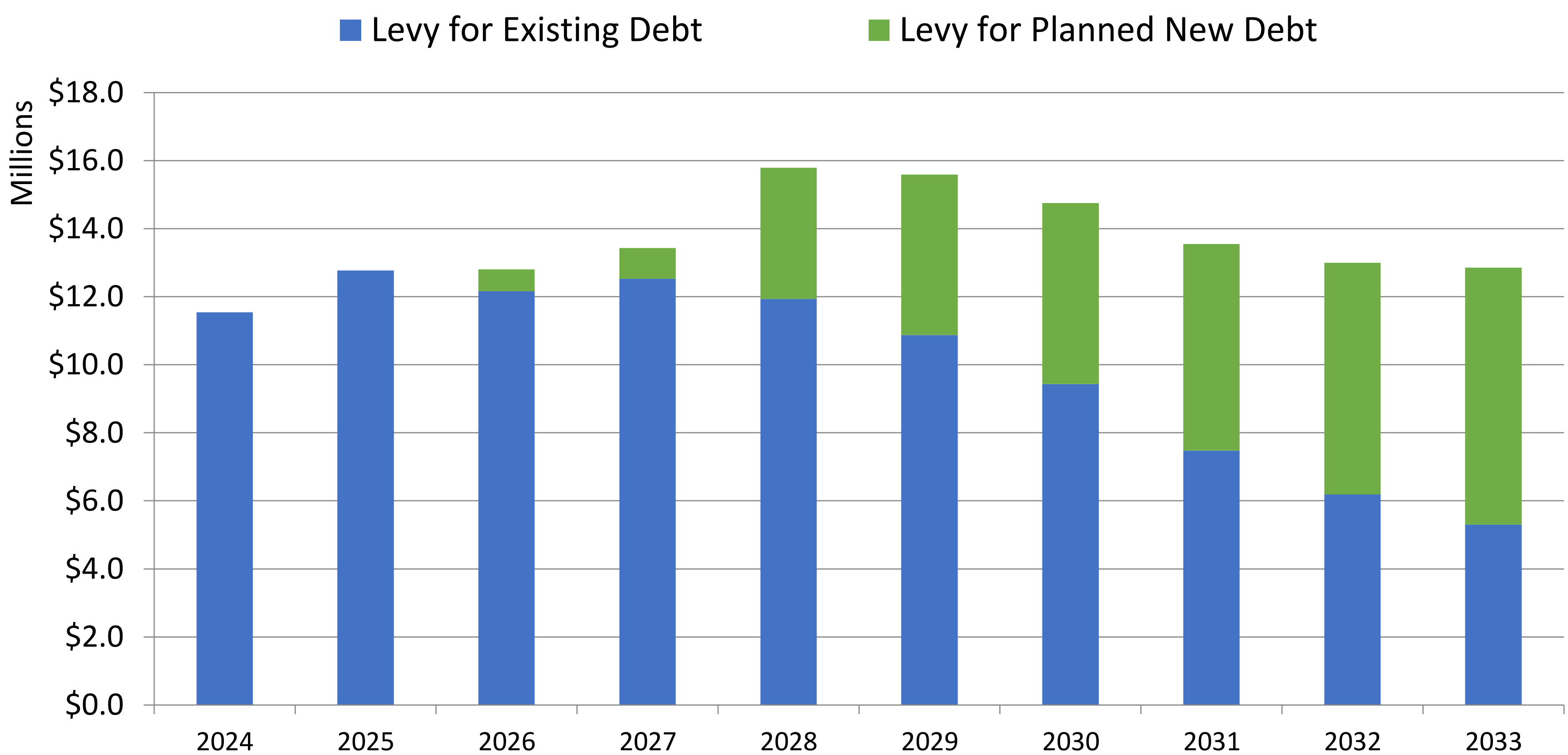
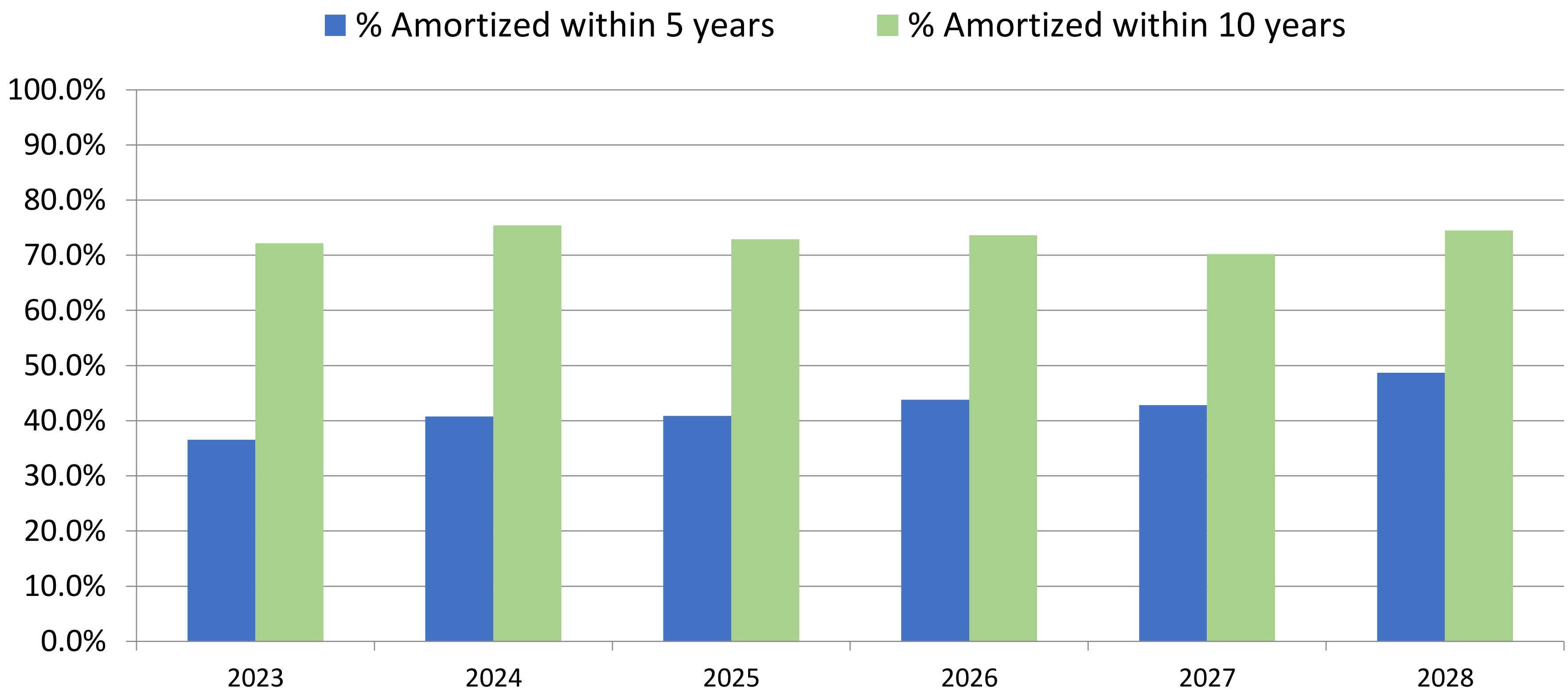


Exhibit 16
Tax Levy for Debt Service



Note: The City plans to use Franchise Fee revenue to reduce levy for new debt debt that otherwise would be needed to pay debt service on future debt issuance for the Public Safety Training Facility and for Fire Stations. Levy for Planned New Debt in this chart is already reduced to account for the use of Franchise Fee revenue for debt service.

Exhibit 17
Amortization of Outstanding Debt
Includes Existing and Planned New Debt
(Does not include Enterprise Funds)



Note: The City's Debt Management Policy states that the City will endeavor to keep the final maturity of general obligation bonds equal to or less than 20 years; and at least 50% of the principal shall be retired within 10 years. In all cases, the final maturity shall be shorter than the deemed useful life of the asset financed.

Exhibit 18
Debt Per Capita for Existing and Planned New Debt
(Does not include Enterprise Funds)