



AGENDA

ECONOMIC DEVELOPMENT COMMISSION

October 22, 2024 - 4:00 PM

**Marion Conference Room
20195 Holyoke Ave**

1. Call to order
2. Approval of Minutes
 - a. Economic Development Commission 8.27.24 DRAFT minutes
3. Agenda Items
 - a. Metropolitan Council Regional Aviation System presentation
4. Economic Development Report
 - a. October Economic Development Report
5. Other
6. Adjourn

**CITY OF LAKEVILLE
ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES
August 27, 2024**

1. Acting Chair Collman called the meeting to order at 4:01 p.m. in the Marion Conference Room.

Members Present: Comms. Rick Bjorklund, Lowell Collman, Joe Eykyn, Jack Matasosky, John Swaney

Ex-officio Members Present: Mayor Luke Hellier, City Administrator Justin Miller, Chamber President Krista Jech

Members Absent: Comm. Victor Arredondo, Rebecca Bergin, Andrew Phillips, Don Seiler, Glenn Starfield

Staff Present: Tina Goodroad, Community Development Director; Kati Bachmayer, Economic Development Manager

Guests: Jason Aarsvold, Ehlers

2. **Approval of Minutes**

- a. **June 25, 2024, EDC meeting minutes**

A quorum was not present at the start of the meeting; therefore, the vote on this item was delayed until the end of the meeting. The vote took place at approximately 5:25 p.m.

Comms. Matasosky / Bjorklund moved to approve the minutes of the June 25 meeting. **Motion carried unanimously.**

3. **Agenda Items**

City Administrator Miller asked to present his item first, so the agenda order changed to a. Franchise Fees Update, b. Strategic Plan for Economic Development and c. Cannabis Zoning Update.

- a. **Franchise Fees Update**

City Administrator Miller provided an update to the EDC on the City Council's franchise fees proposal. The City Council has reviewed and discussed the franchise fee model during its February 26 work session, April 22 work session, and July 22 work session. The proposed fee structure will add a franchise fee of \$6 to Lakeville utility accounts at CenterPoint Energy, Minnesota Energy Resources, Xcel Energy and Dakota Electric Association. The fees will be used to pay for public safety improvements at the City's fire stations and the construction of the FiRST Center, which will be the south metro's premier training facility for first responders. More information about the proposed fees and public safety projects can be found at LakevilleMN.gov/1288/Utility-Franchise-Fees.

EDC members had concerns about the proposed franchise fees and its financial impact on Lakeville businesses. There was robust discussion around the proposed fee collection structure, including the ease and ability to charge per account versus per meter and using the franchise fee model versus adding to the levy. A strong recommendation was made by members to keep the added cost to taxpayers as transparent as possible.

b. Strategic Plan for Economic Development

Jason Aarsvold from Ehlers was in attendance to present Lakeville's final 2024-2028 strategic plan for economic development report. During the meeting, Mr. Aarsvold reviewed Lakeville's refined economic development goals and the tools available to achieve them. Tools discussed include EDA, HRA and Port Authority development districts with levying authority. Many neighboring cities currently collect an HRA/EDA levy and carry a development fund balance to help meet their economic development goals. Mr. Aarsvold encouraged the group to consider any future added financial resources and/or increased capacity affecting the tax base to be viewed as an investment in the local economy. The 2024-2028 Strategic Plan for Economic Development will be used to inform and guide the City's economic development activities over the next five years.

c. Cannabis Zoning Update

Ms. Goodroad provided an update on cannabis zoning to members. Legalization of cannabis was signed into law on May 30, 2023 (Chapter 342 of MN Law). Commercial growing, processing, and retail sales will fall under the regulation of the new state Office of Cannabis Management (OCM) who will begin licensing likely in early 2025. Special pre-approval (2024 legislation) will be conducted this summer for verified social equity applicants for the following license types: microbusiness, mezzobusiness, cultivator, retailer, wholesaler, transporter, testing facility and delivery service. Social equity applicants with license pre-approval may begin growing cannabis prior to adoption of final OCM rules but no retail sales can take place until final rules are adopted.

The OCM will be responsible for all commercial regulation including licensing split between cultivation, manufacture, distribution, and retail (see Guide for Local Governments). Cities are responsible for registration. If the business has a valid state license, passes the compliance checks, and has paid all the fees and taxes, the city must issue the registration. State Statute requires that a city must issue at least one registration per 12,500 residents. For Lakeville, this means up to six registrations.

Due to the changes made to the law in the 2024 legislative session, the City of Lakeville will be updating its Zoning Code to include license types in the business districts.

4. Marketing Efforts

a. Economic Development Report

Ms. Bachmayer shared July highlights from the Economic Development Report, including the groundbreaking for Midwest ENT's new medical office building and Ms.

Goodroad participating as a panelist during the upcoming Minnesota Real Estate Journal Cannabis Real Estate Summit on September 6.

5. Adjourn

Meeting adjourned at 5:31 p.m.

Respectively submitted by:

Kati Bachmayer, Economic Development Manager

DRAFT



**City of Lakeville
Community Development**

Memorandum

To: Economic Development Commission
From: Kati Bachmayer, Economic Development Manager
Copy: Tina Goodroad, Community Development Director
Justin Miller, City Administrator
Date: October 22, 2024
Subject: Metropolitan Council Regional Aviation System presentation

The Metropolitan Council is currently reviewing the region's policies and actions related to the regional aviation system for its 2050 Transportation Policy Plan. City staff is participating in these discussions through one of the Met Council's advisory groups.

Joe Widing, Senior Transportation Planner for the Met Council's Transportation Services division will be in attendance at the October meeting and presenting information about the regional development guide overview, Met Council's role in regional aviation, and aviation industry trends and key takeaways. There will be opportunity for EDC members to ask questions and have a discussion about policy gaps.

Lakeville Economic Development Commission

2050 TPP Policy Development
Regional Aviation System



10/22/2024

Aviation Policy Development

Agenda

1. Regional Development Guide Overview
 - a. Regional Vision and Goals
 - b. Transportation Objectives
2. Met Council Role in Regional Aviation
3. Aviation Industry Trends and Key Takeaways
4. Policy Development Team Overview
5. Policy Gap Discussion
6. Next Steps



Regional Development Guide Overview



Regional Development Guide

Imagine 2050

- RDG is state mandated guide for the region to set the stage for 2050 comprehensive planning efforts in the region
 - Mandated to ensure the “orderly and economic development” of the region
 - Includes detailed population and economic forecasts for every regional community
- Sets vision and goals for regional planning and policy
 - Sets general land use guidance for communities in the region
 - Includes four policy plans for specific regional systems
 - Transportation
 - Water
 - Housing
 - Parks



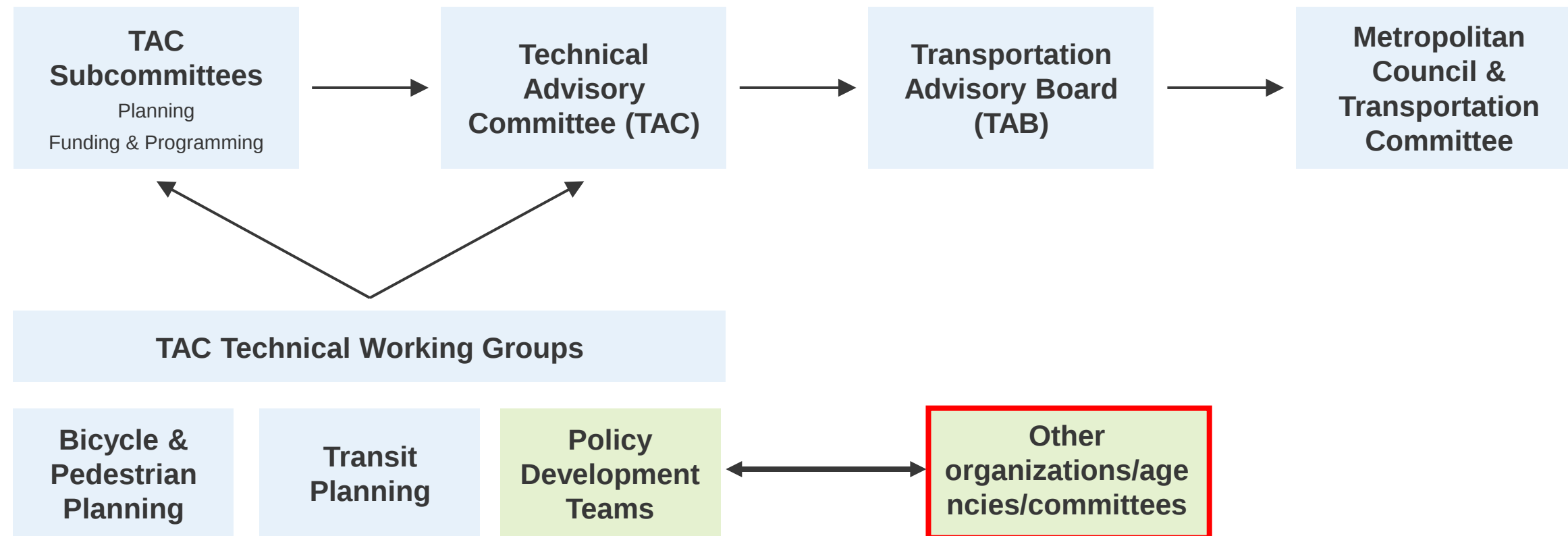
What is the Transportation Policy Plan?



The TPP is the region's long-range transportation plan

- Federally-required metropolitan transportation plan (for surface transportation)
 - Investment plan that directs major transportation investments and guides regional transportation policies
- State-required system plan (for aviation)
- Regional Aviation System Plan: basic 2050 update included in TPP
 - More in-depth update of RASP – ongoing, to be amended into 2050 TPP in Q1/Q2 2025

Technical & Decisionmaker Engagement



Terms & Definitions

2050 Regional Development Guide

- **Values** are core beliefs (principles) that guide how the Council carries out work.
- **Vision** is the overarching description of what we want to achieve for the region.
- **Goals** are broad directional statements that more specifically describe the desired end states for the region.

2050 Transportation Policy Plan

- **Objectives** are the achievable results that advance each regional goal.
- **Policies** are the statement of intent and approach to regional issues or topics, independently and with partners.
- **Actions** are the specific strategies or activities to implement policies and achieve goals.

Draft Regional Vision & Goals

Vision

“We envision a healthy, just, and resilient region where future generations thrive and experience new opportunities supported by planning that results in economical services, housing affordability, clean water, thriving ecosystems, and safe, accessible transportation throughout the region.”

“We envision an equitable future where our region’s residents, communities, and economy thrive. Through collaborative leadership and innovative planning, we will deliver of equitable and affordable services and infrastructure; we will confront challenges, including those related to equity and climate change; and we will seize opportunities to ensure the wellbeing of our natural and built environments.”

Goals

Our Region is Equitable and Inclusive

Racial inequities and injustices experienced by historically marginalized communities have been eliminated; and all residents and newcomers feel welcome, included, and empowered.

Our Communities are Healthy and Safe

All our region’s residents live healthy, productive, and rewarding lives with a sense of security, dignity, and wellbeing.

Our Region is Dynamic and Resilient

Our region meets the opportunities and challenges faced by our communities and the economy including issues of choice, accessibility, and affordability.

We Lead on Addressing Climate Change

We have mitigated greenhouse gas emissions and have adapted to ensure that our communities and systems are resilient to climate impacts.

We Protect and Restore Natural Systems

We protect, integrate, and restore natural systems to protect habitat and ensure a high quality of life for our region.

Our Region is Equitable & Inclusive



- Historically disadvantaged communities are better connected to jobs, education, and other opportunities.
- We repair and eliminate disparate and unjust impacts and harms to Black people, Indigenous people, and people of color.
- We better meet the transportation needs of people who have disabilities or limited mobility.

Our Communities are Healthy & Safe



- People do not die or face life-changing injuries when using any form of transportation.
- People feel safer, more comfortable, and more welcome when using any form of transportation.
- We mitigate and avoid harms to people caused by nearby transportation infrastructure and use (e.g. air quality, noise)
- People are better connected to community and cultural resources that support their physical, emotional, and mental well-being.
- People can increase physical activity with opportunities to walk, roll or bike.

Our Region is Dynamic & Resilient



- People and businesses trust that transportation infrastructure and services will withstand and recover quickly from natural and human-caused disruptions.
- People have better travel options beyond driving alone to meet their daily needs, with a focus on improving travel times, reliability, directness and affordability.
- People have more predictable travel times when traveling on highways, with a focus on reducing excessive delays.
- People and businesses can rely on predictable and cost-effective movement of freight and goods.

We Lead on Addressing Climate Change



- The region's transportation system minimizes greenhouse gas emissions.
- People have more reliable access to zero emissions vehicle infrastructure.
- By 2050, the region reduces vehicle miles traveled by 20% per capita below 2019 levels.

We Protect & Restore Natural Systems

- The region's transportation system and the people who use it limit their impacts on natural systems (e.g. air, water, vegetation, and habitat quality).



Met Council Role in Regional Aviation



Minnesota Statute 473.165, 473.611 & 473.621

- Aviation not federally mandated system, state statute tasks the Council to plan for the regional aviation system
- Council must prepare Regional Aviation System Plan (within TPP)
- Requires regional airports to produce and update Long Term Comprehensive Plans
 - Met Council must review and determine if airport comprehensive plans conform to regional systems and are consistent with regional policy
- Review MAC's Capital Improvement Program and review and approve major capital projects that have a significant affect on the orderly and economic development of the region
- Met Council **does not** provide or allocate direct funding for aviation or operate regional aviation facilities

Met Council Role in Regional Aviation



Regional Aviation System Plan Background

- State law created to establish oversight over MAC and other regional airports
- First RASP created in 1996
 - Outlined policies and actions
 - Identifies and classifies regional aviation system
 - Establishes planning process for regional airports
 - Incorporates system airport projected activity and capitol needs
- Subsequent RASPs merged with the TPP for simplicity and consistency with other regional systems
- Incorporated the Builders Guide in 2006
 - Established land use compatibility standards regarding aircraft noise
 - Identified building materials to mitigate noise impacts

FAA, MNSASP, and Aviation Industry Trends



FAA, MNSASP, and Aviation Industry Trends

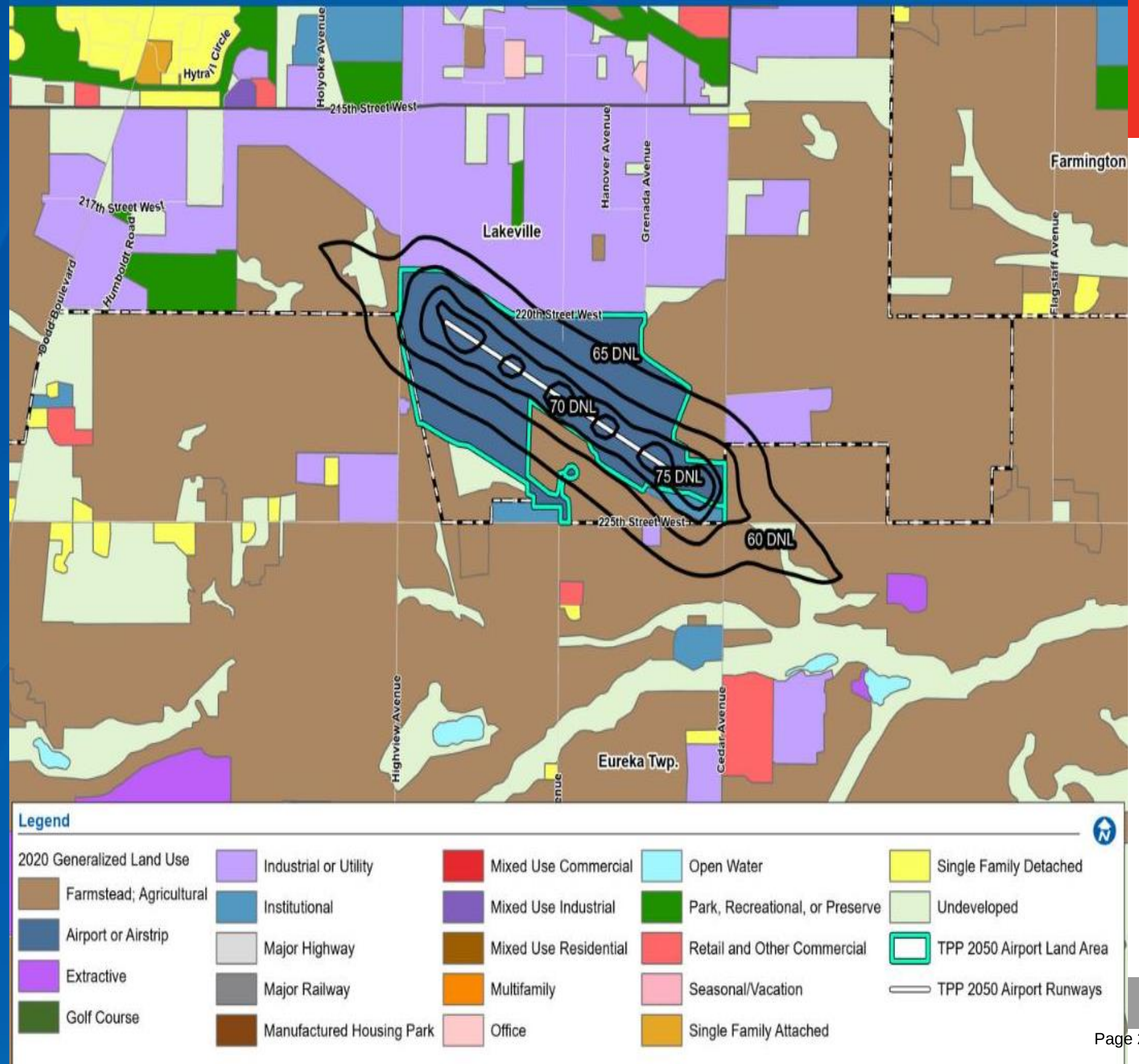
Existing Aviation Challenges Identified

- **Staffing Shortfalls** The aviation industry has identified existing and potential staffing shortages for mechanics, air traffic controllers (ATC) and pilots.
- **Cost** The high cost of entry into the aviation field may limit participation from interested parties.
- **Industry Demographics** The aviation industry has historically ranked amongst the lowest in terms of workforce diversity.

Industry/Regulatory Trends

- Industry Trends and FAA regulation updates have been developed to streamline pilot, mechanic, and ATC training requirements.
- FAA Reauthorization, BasicMed, and Light-Sport/MOSAIC include provisions to lower the cost and increase participation in aviation.
- MnDOT State Aviation System Plan: Since previous TPP, MnDOT has updated the statewide aviation plan with updates to the statewide airport classification system and new guidance on other topics which touch on Metro aviation facilities.

Aircraft Noise



Aircraft Noise

- **Aircraft Noise** Unwanted sound resulting from aircraft operations. Considered one of the most harmful environmental impacts from aviation and often the main contributing factor of a negative community response to the operation and expansion of airports.

Regulatory Noise Framework

- **FAA Regulation/Industry Changes** Beginning in 2016 the FAA has implemented regulations prohibiting the operation of older, noisy aircraft in the U.S. that do not meet more stringent noise requirements. Additionally, advancements in satellite navigation have allowed the FAA to implement dispersed instrument departure procedures to mitigate aircraft noise.
- **FAA Noise Evaluation** The FAA is in the process of reviewing and/or updating the Civil Aviation Noise Policy as well as the Noise Control and Compatibility Planning Advisory Circular. This process includes the metric(s), noise thresholds, and land use compatibilities that are used to identify and mitigate aircraft noise.
- **Compatibility Planning** The Metropolitan Council has developed a Builders Guide to identify compatible land uses and construction techniques to mitigate aircraft noise. The Builders Guide recommendations are based on the current Civil Aviation Noise Policy.

Aviation Fuels and Alternative Power Sources



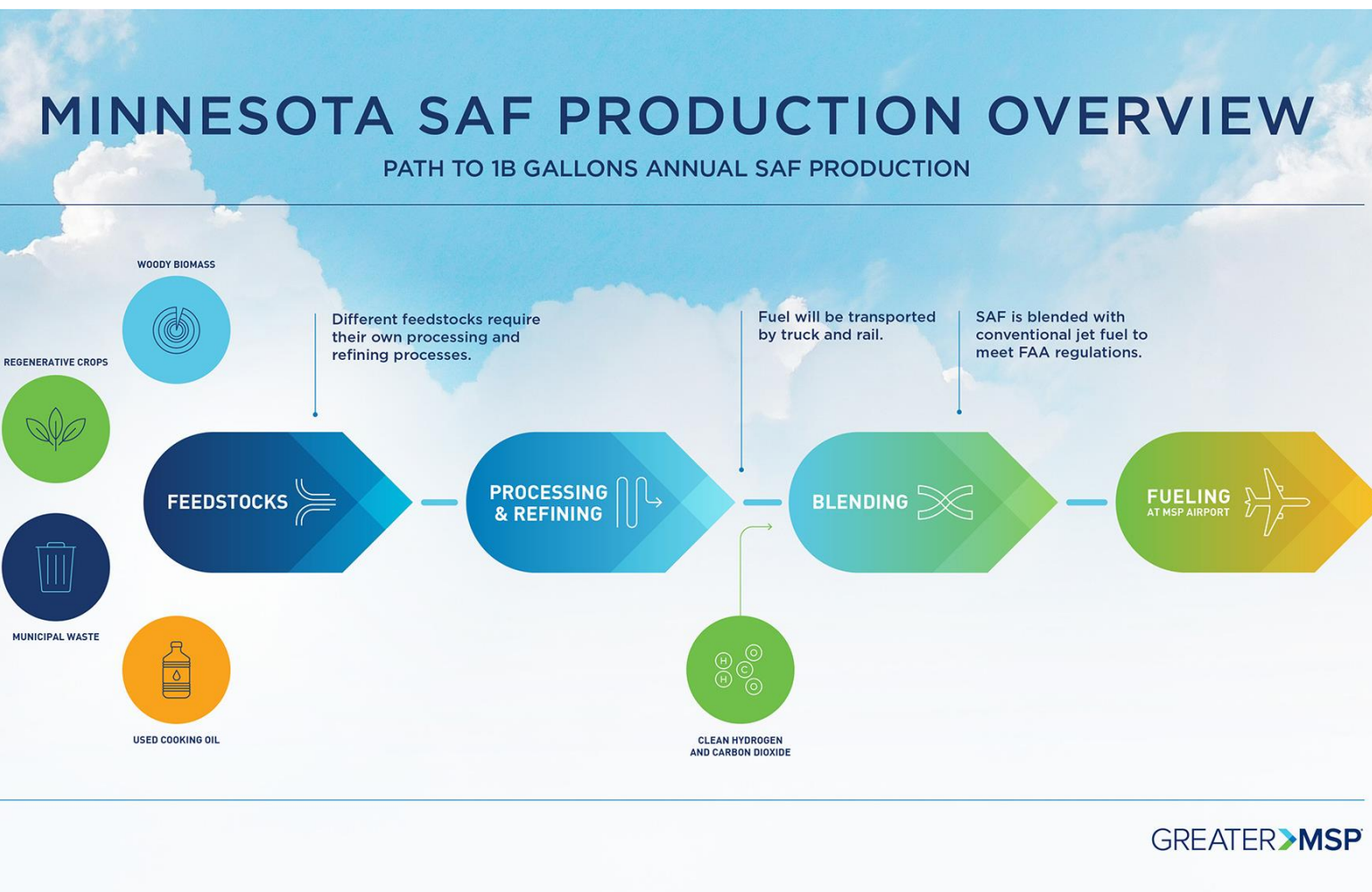
Source: Westmor Industries

Aviation Fuels and Alternative Power Sources

Aviation Fuels

Sustainable Aviation Fuel (SAF) Aviation emissions are a relatively small but growing portion of transportation related GHG emissions. Government and industry initiatives are being implemented to expand the use of SAF.

- Delta planning to utilize SAF for operations at MSP
 - 10% of fuel use by 2027
 - 50% of fuel use by 2035
- State and regional push to invest in and implement SAF hub at MSP



Source: GreaterMSP

Aviation Fuels and Alternative Power Sources

Path to a Lead-Free Aviation System

Eliminate Aviation Gasoline Lead Emissions (EAGLE)



American Petroleum Institute



Aviation Fuels

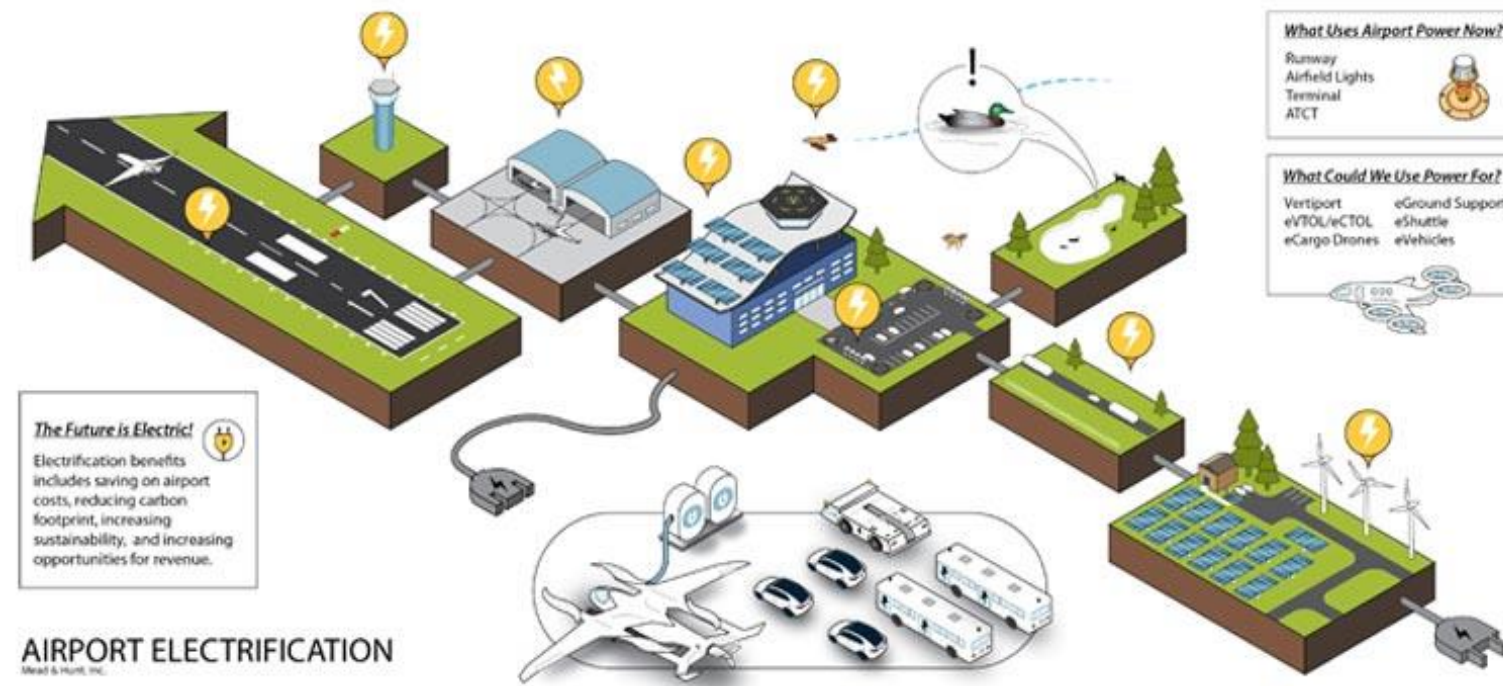
Leaded Aviation Gas The majority of small GA aircraft continue to utilize aviation gasoline containing lead. Aviation is the last industry using leaded fuel. Government and industry initiatives are working to develop an unleaded fuel(s) safe for GA aircraft.

- Lead to be found unsafe at any level by EPA
- FAA require leaded fuel use to 2030
 - Developing pathway to eliminate future use
- State and local bans planning after FAA requirements expire

Aviation Fuels and Alternative Power Sources

Alternative Power Sources

- **Electric Aircraft** Small all-electric aircraft are being designed and manufactured for entry into GA aviation with pilot training in mind. Advancements in electrification technology and charging infrastructure are aimed at reducing cost, emissions, and noise.
 - MnDOT Aeronautics MEAN Plan
 - Reduce GHG and other emissions from aircraft operations
- **Hybrid/Hydrogen** Existing electric technology is not compatible with large aircraft. Existing aircraft operations may be augmented through the incorporation of hybrid and or hydrogen components.
 - Carbon free commercial flight



Source: Mead & Hunt

Unmanned Aerial Systems (UAS)



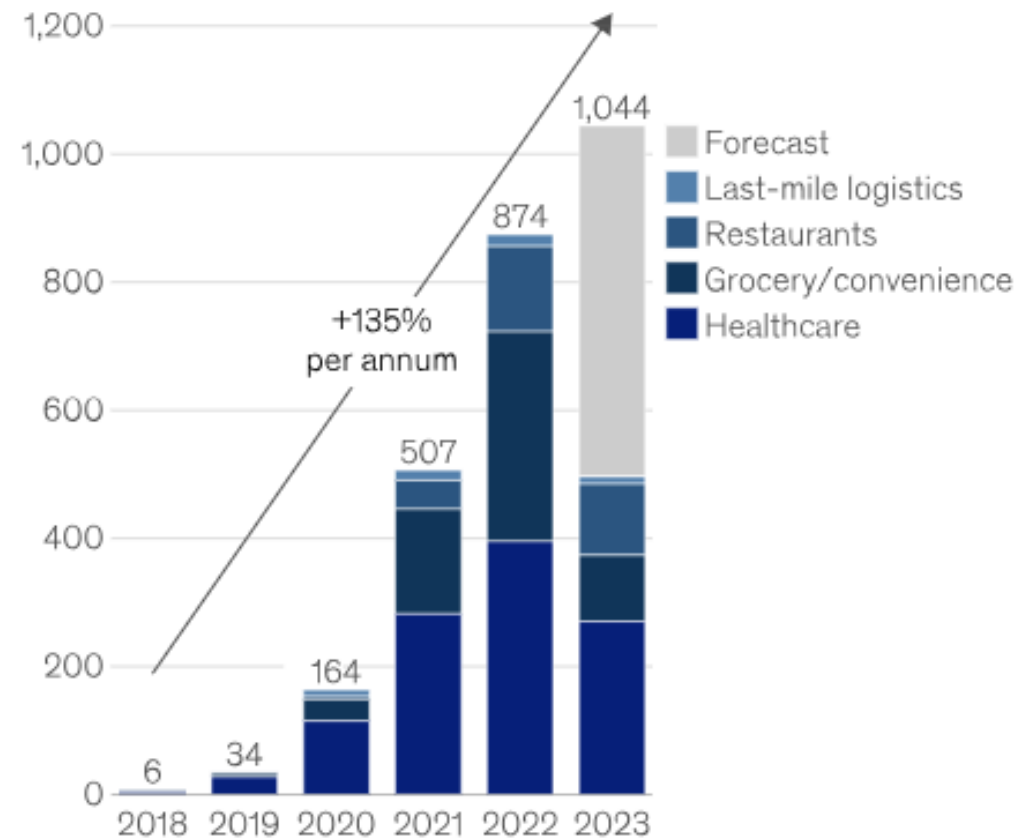
Source: Intel Corporation

Unmanned Aerial Systems (UAS)

Trends seen in UAS Industry

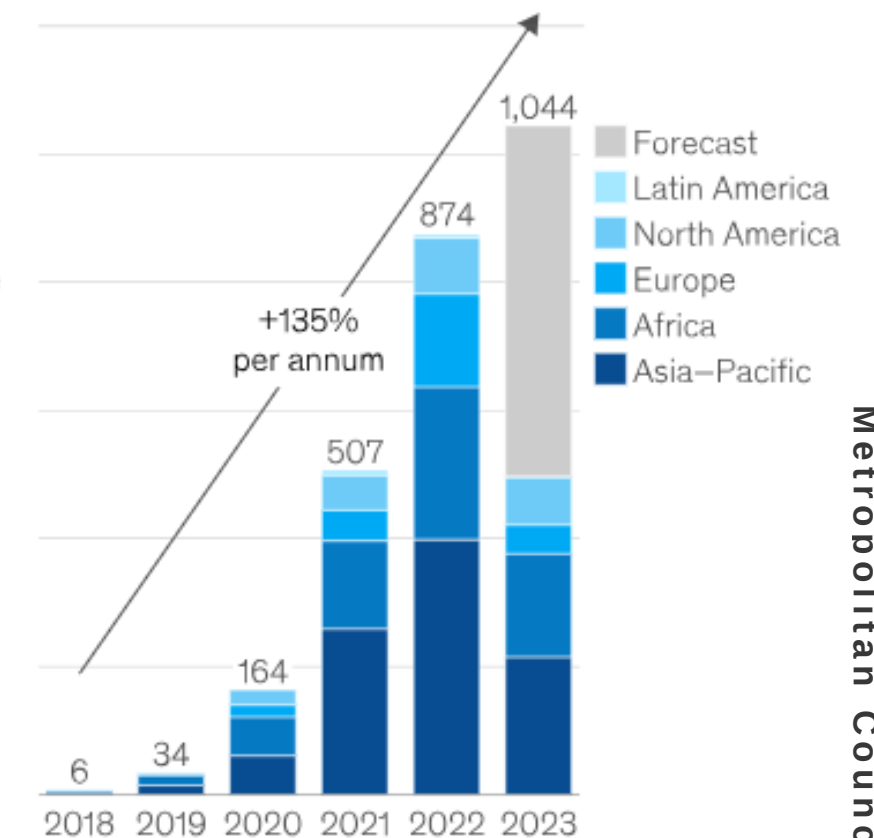
- UAS is the fastest growing segment of aviation in the United States.
- Technological advancements in battery systems, smartphones, and camera sensors have made UAS readily accessible to a wide segment of the population.
- Logistics/Shipping and energy sector industries are anticipated to be the main drivers of UAS growth in the U.S. with the integration of Beyond Visual Line of Sight (BVLOS) regulations.

Commercial drone deliveries by use case, thousand



Source: McKinsey & Company

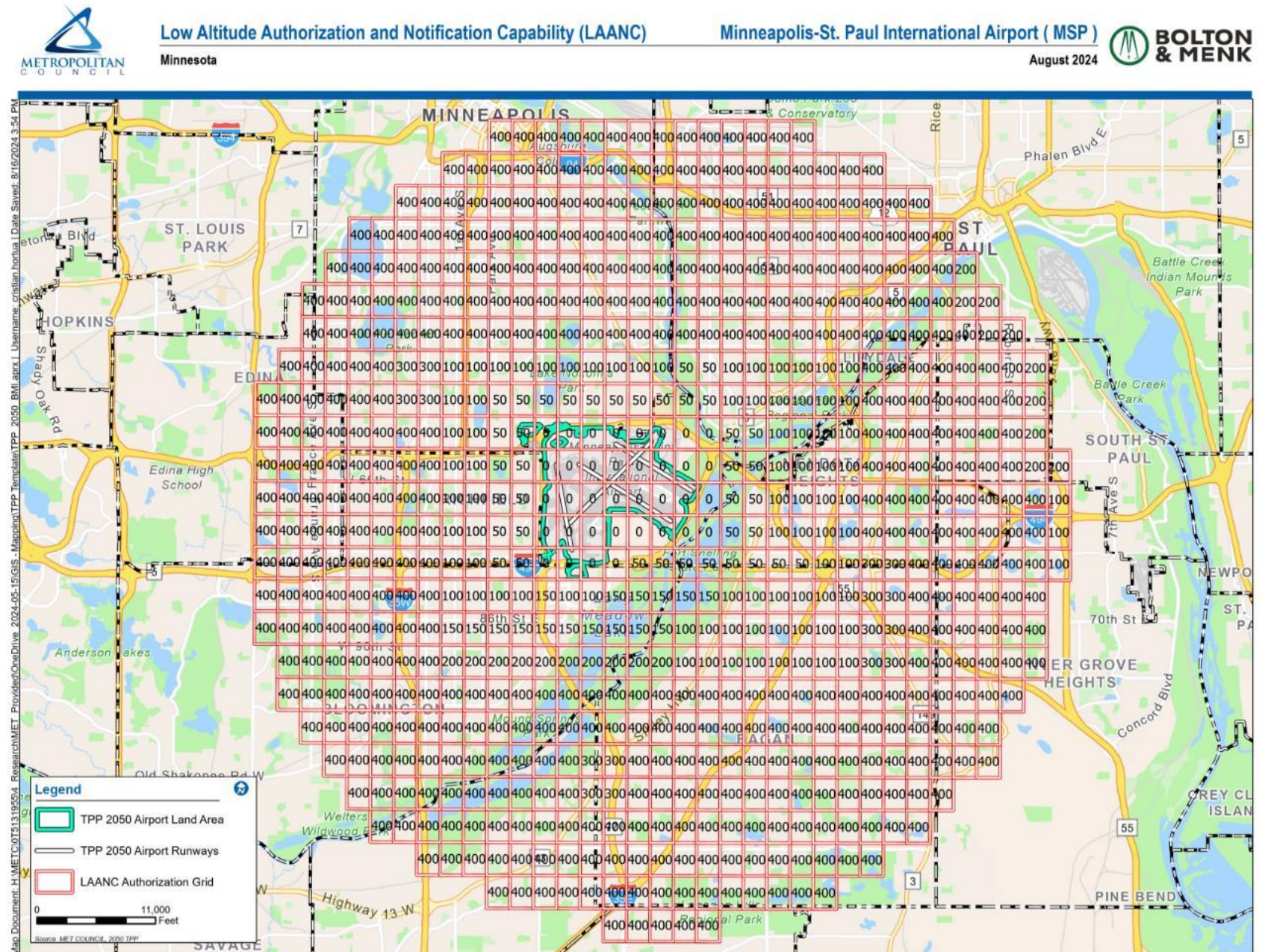
Commercial drone deliveries by region, thousand



Unmanned Aerial Systems (UAS)

UAS Trends and Regulatory Framework

- FAA's development of the Part 107 framework in 2016 established the rules for safe commercial operations of UAS within the National Airspace System (NAS). 2017 development of the LAANC system allows for immediate authorization to operate within controlled airspace. This has contributed to the significant increase in UAS operations.
- For towered airports only
- The FAA's Reauthorization Act of 2024 has identified the need to publish rules to enable BVLOS operations within the NAS.



Advanced Air Mobility (AAM)

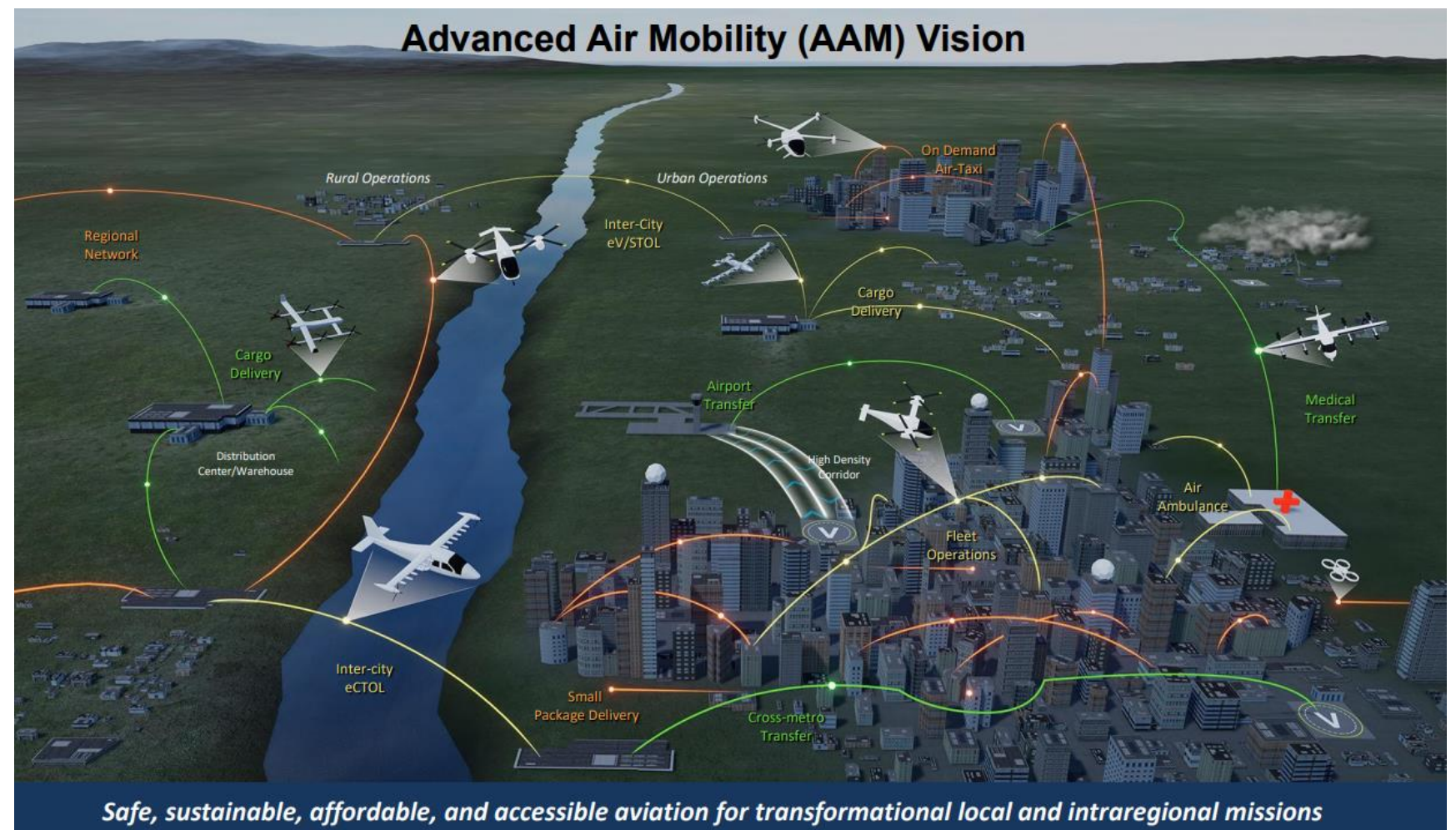


Source: FAA

Advanced Air Mobility (AAM)

AAM Trends

- The increasing urbanization within the U.S. and the need to reduce GHG emissions has led to innovative new methods of transportation.
- AAM are aircraft designed for VTOL operations from designated vertiports, powered by electricity, and leverage advancements in automation for flight controls.
- Anticipated AAM uses include passenger and freight transportation within and between urban areas. Aircraft manufacturers are currently developing and testing multiple new designs for AAM aircraft.

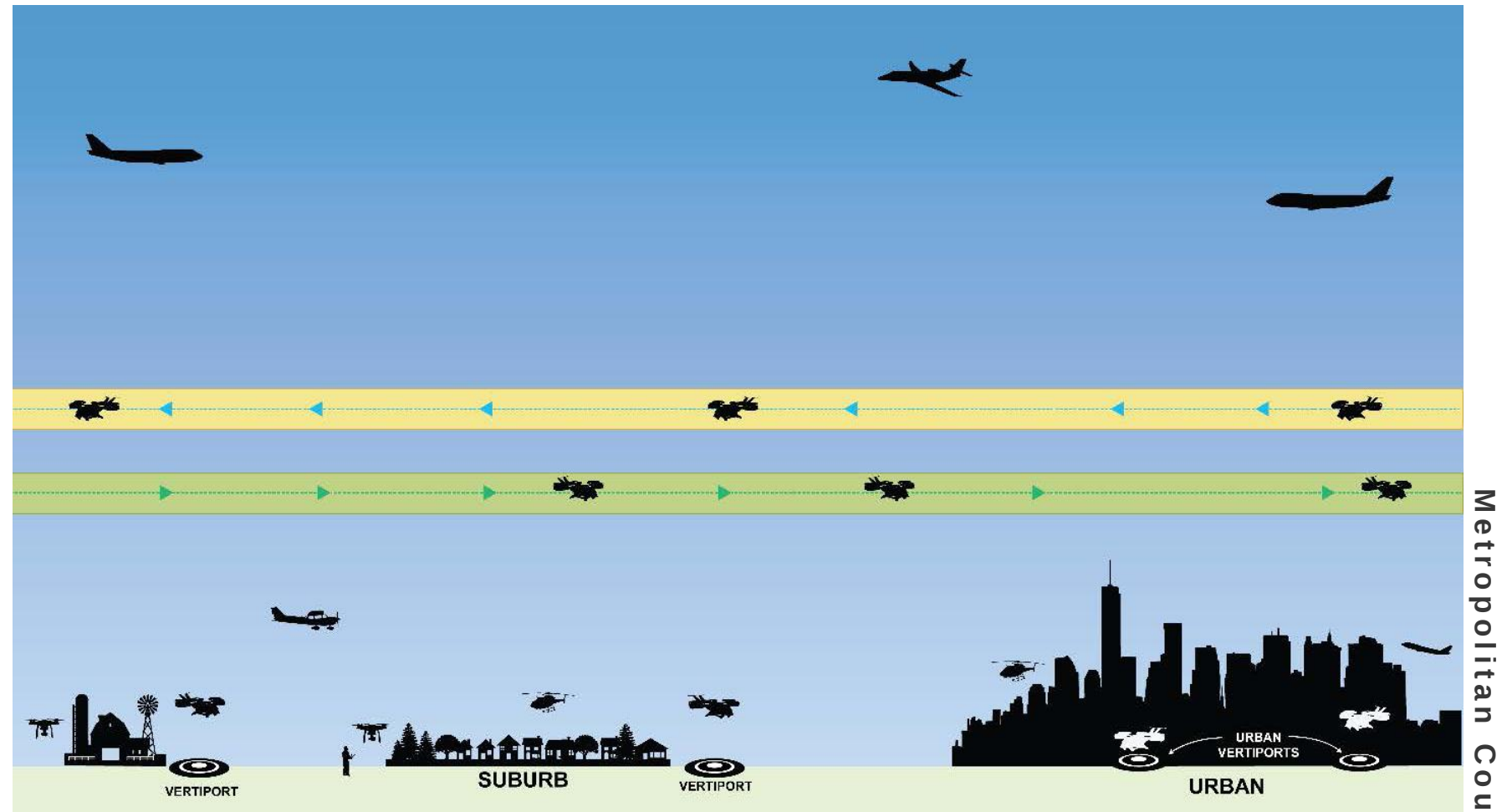


Source: NASA NTRS

Advanced Air Mobility (AAM)

AAM Regulation/Development

- Interim guidance on Vertiport design has been provided by the FAA. The FAA Reauthorization Act of 2024 directs the agency to publish final Vertiport design standards by 2025.
- Proactive integration of AAM into the NAS is a core focus of government and industry initiatives.
- AAM planning is taking place throughout country at local, state and federal level
 - Local – land use integration
 - State – policy and development
 - Federal – airspace regulations



Source: FAA

Aviation Policies and Development Process Overview



Policies and Actions Review Process

Develop

- Meeting 1
 - Introduction
 - Background
 - Brainstorming
- Meeting 2
 - Review Meeting 1 policies
 - Draft/edit policies
 - Draft/edit actor-specific actions

Review

- Meeting 3
 - Finalize remaining items from Meeting 2
 - Review drafted updated policies and actions
- Additional review processes with standing working groups and committees
 - Council / TAB
 - MAC
 - Local officials

Recommend

- Meeting 4 (if necessary)
- Review feedback
 - Make revisions and final recommendations
- Final Meetings
 - Additional meeting scheduled if necessary

Policies Overview



Existing Aviation Policies from 2040 (2050) TPP

Policy 1: Airport safety standards should be maintained and improved where possible by addressing land use compatibility and air safety requirements in airport and local policies and plans.

Policy 2: Conduct planning, development, and operation of regional airports to minimize the impact to adjacent communities. Ongoing impacts from aviation activities should be mitigated through local land use compatibility policies and other mitigation efforts.

Policy 3: Coordinate planning and pursuing transportation investments that strengthen connections to other Minnesota regions, the nation, and world through air service at the region's primary and reliever airports.

Policy 4: Coordinate the provision of adequate local access to the region's airports considering local context and role in the system.

Policy 5: Prepare long-term comprehensive plans for MAC owned airports or local comprehensive plans for each airport following FAA requirements and submit it to the Met Council for review to ensure that plans for preservation, management and improvement of infrastructure at each airport are consistent with the regional aviation system plan.

Policy 6: Promote public participation and awareness of aviation issues including involvement of traditionally underrepresented populations, system users, and individuals.

Policy 7: Protect, enhance, and mitigate impacts on natural resources when planning, constructing, and operating the region's aviation system. This will include management of air and water quality and identification of priority natural resources through the Natural Resources Inventory developed by the Met Council and Minnesota Department of Natural Resources.

Discussion

Goals (Where)	Objectives (What)	Policies (How)	Actions (Who)
• Directional statements	• Achievable, measurable results	• Intent and approach to achieve goals and objectives	• Actions for implementation

Prompting Questions

- Are there gaps in existing policy?
 - What policies are needed to meet the regional objectives?
 - Are there emerging trends or existing issues that are not addressed by existing policy?
Thinking to what we have identified and anything else that may be missing
- What's the regional role of the policy?
- What actions are needed for implementation and who should do them?
- Are there new tools or technical assistance needed?

Objective: People do not die or face life-changing injuries when using any form of transportation.

- **Example** Policy: Use the safe systems approach in planning and project development.
 - **Example** Action 1: Projects funded through Regional Solicitation and HSIP must use design speeds equal to or below the posted speeds.
 - **Example** Action 2: Produce and annually update the region's high injury street map.

Next Steps



RASP planning efforts ongoing

- Policy review teams will draft and review updated policies and actions for aviation system through winter 2025.
- Additional data and information on emerging trends and issues for regional aviation system will be incorporated into updated RASP.
- RASP to be amended prior to System Statements released in September 2025.

Thank You

Joe Widing

Senior Planner, MTS

Joseph.Widing@metc.state.mn.us





**City of Lakeville
Community Development**

Memorandum

To: Economic Development Commission
From: Kati Bachmayer, Economic Development Manager
Copy: Tina Goodroad, Community Development Director
Justin Miller, City Administrator
Date: October 22, 2024
Subject: Economic Development Report

This memo is intended to provide information on new and expanding businesses, proposed development projects and economic development-related events.

Development Update

- During the October 3 Planning Commission meeting, preliminary plat and conditional use permit applications were recommended for approval to the City Council for:
 - Crown Lakeville Apartments proposes two multi-family apartment buildings with 182 dwelling units to be located north of 210th Street West (County Road 70) and west of Keokuk Avenue.
 - Lakeville 35 Logistics Center North Addition proposes construction of a 189,678-square-foot industrial office/warehouse building to be located north of Juniper Way/215th Street (County Road 70) and south of 210th Street West.
- During the October 7 meeting, the City Council approved:
 - Ritter Meadows Second Addition final plat, which includes 55 attached townhomes and 30 detached townhomes located west of I-35 and north of 205th Street.
 - A resolution to accept a SAFER (Staffing for Adequate Fire and Emergency Response) grant through the U.S. Department of Homeland Security for \$5,561,853.30 that will allow the City to hire an additional 15 full-time firefighters.
 - A resolution to adopt the proposed 2025-2029 Capital Improvement Plan and Street Reconstruction Plan, which provides the framework for Lakeville's infrastructure improvements over the next five years.
 - Cedar Hills North Comprehensive Plan and Zoning Map Amendments to regulate the property to medium/high density residential and low density residential. The project proposes the development single family and attached townhomes north of 200th Street and between Cedar Avenue and the Farmington city boundary.

- An application for a preliminary plat was recently submitted for Marketplace at Cedar located at the southeast corner of 179th Street and Cedar. This preliminary plat includes ten lots for a variety of commercial users.

Under Construction

- The RL Cold building is under construction at 21700 Galway Lane, near Sweet Harvest Foods. The new 284,921-square-foot cold storage facility is anticipated to have up to three users when fully occupied.
- Construction is underway on the 14,000-square-foot building for Midwest Ear, Nose & Throat Specialists. The new medical office will be located at 11020 161st Street West, near Bowlero.

Building Permit Report

The City of Lakeville recently switched its building permits processing to a new software system (BS&A) and the Building Permits report is not available at this time. Data for September and October will be shared in the November Economic Development Report (or at the EDC meeting if it becomes available).

Additional Highlights

- The City held its annual Manufacturers Appreciation Reception on October 2 at the Lakeville Area Arts Center. 70+ people RSVP'd to attend the event, along with our featured workforce development speaker, Gerry Hoeffner. Mr. Hoeffner is the President of Personnel Dynamics Consulting and is based out of the Tampa, Florida area.
- Community Development staff partnered with the Lakeville Chamber of Commerce to host a Made in Lakeville Teacher Tour on October 9. Twenty-five Lakeville teachers participated to learn about Lakeville's industrial park businesses and get an in-depth look at HOBAS, Inc. and Advanced Wireless Communications. It was the third year of this Lakeville Works initiative.
- The Lakeville Logistics Center, located at 21601 Galway Lane was recently purchased by Stag Industrial for \$43.1 million cash, making it one of the most expensive deals thus far in 2024. The warehouse is 360,000 square feet and is occupied by Sweet Harvest Foods.

Development News Resources

- Lakeville's [Interactive Development Map](#) includes information on development projects.
- [Thrive! Business Newsletter](#) is distributed monthly and includes development updates and helpful business resources.
- City of Lakeville [YouTube](#) channel for Thrive! videos and other city news.