



AGENDA

ECONOMIC DEVELOPMENT COMMISSION

December 3, 2024 - 4:00 PM

**Marion Conference Room
20195 Holyoke Ave**

1. Call to order
2. Approval of Minutes
 - a. August 27, 2024 EDC Meeting Minutes
 - b. October 22, 2024 EDC Meeting Minutes
3. Agenda Items
 - a. Strategic Plan for Economic Development Final Report
 - b. Business Retention & Expansion Program
4. Development Updates
 - a. Economic Development Report
 - b. Marketing Outreach & Efforts
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

CITY OF LAKEVILLE
ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES
October 22, 2024

1. Chair Seiler called the meeting to order at 4:03 p.m. in the Marion Conference Room.

Members Present: Comms. Rebecca Bergin, Rick Bjorklund, Don Seiler, John Swaney

Ex-officio Members Present: Mayor Luke Hellier, Chamber President Krista Jech

Members Absent: Comm. Victor Arredondo, Lowell Collman, Joe Eykyn, Andrew Phillips, Glenn Starfield

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

Guest: Joseph Widing, Senior Transportation Planner, Metropolitan Council Transportation Services

2. **Approval of Minutes**

- a. **Economic Development Commission 8.27.24 DRAFT minutes**

A quorum was not present; therefore, the August 27, 2024 minutes will be brought to the next meeting for approval.

3. **Agenda Items**

- a. **Metropolitan Council Regional Aviation System presentation**

Joe Widing, Senior Transportation Planner for Metropolitan Council Transportation Services was present to share information on the 2050 Transportation Policy Plan and the work that's currently being done on aviation policy development. Mr. Widing provided an overview of the regional development guide, the Met Council's role in regional aviation and aviation industry trends.

EDC members shared feedback with Mr. Widing related to Unmanned Aerial Systems, helicopters and aviation-related conflicts and complaints. This feedback will be used by the Met Council as it works over the next few months to update its aviation policy.

4. **Economic Development Report**

- a. **October Economic Development Report**

Ms. Goodroad highlighted a few recent development projects including Crown Apartments and Lakeville 35 Logistics Center. Mayor Hellier shared information about the City being awarded a SAFER (Staffing for Adequate Fire and Emergency Response) grant that allows the City to hire additional full time fire fighters. Ms. Bachmayer updated the group on the City's annual Manufacturers Appreciation Event on October 2 and Ms. Jech discussed the Made in Lakeville Teacher Tour held on October 9 (a Lakeville Works initiative put on in partnership with the City).

5. Other

The November and December EDC meetings are typically combined into one meeting due to the regular meeting dates falling so close to Thanksgiving and Christmas. Community Development staff will poll the group via email to get feedback on December 3 as the alternate meeting date.

6. Adjourn

Meeting adjourned at 5:15 p.m.

Respectively submitted by:

Kati Bachmayer, Economic Development Manager



Memorandum

To: Economic Development Commission
From: Tina Goodroad, Community Development Director
Copy: Kati Bachmayer, Economic Development Manager
Justin Miller, City Administrator
Date: December 3, 2024
Subject: Strategic Plan for Economic Development- Final Report

The EDC reviewed the final Strategic Plan for Economic Development on August 27th. We reviewed the goals, strategies and action items and the plan was accepted by the EDC.

At the September work session, staff presented the plan to the City Council. During that meeting the council requested that the timelines be more intentional and realistic. Staff revised language on page 17 to explain the timelines and adjusted the timelines for each applicable action item.

The City Council also requested the language in Goal 1 related to the HRA and EDA levy be revised to be more exploratory. Therefore, staff updated wording of any action items on page 18 to fulfill this request.

Staff is sharing these edits to the EDC before presenting the final plan to the council.



**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: December 3, 2024
Subject: Business Retention & Expansion Program

The 2024-2028 Strategic Plan for Economic Development includes five goals:

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

One of Goal 2's short term strategies is "2.A. Establish a formal Business Retention and Expansion (BRE) Program." Community Development staff has been working on finalizing the details of Lakeville's BRE plan throughout 2024 and will formally launch the new program in 2025 in partnership with the Lakeville Chamber of Commerce. Program details will be provided during the EDC meeting, and an opportunity for Economic Development Commission members to participate in the BRE visits will be discussed.



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: December 3, 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 21 City Council meeting](#), preliminary plat and conditional use permit applications were approved 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 [November 4 City Council meeting](#), Sundance Lakeville Second Addition Final Plat was approved. The final plat proposes construction of 13 townhome buildings totaling 167 dwelling units and nine single-family homes to be located north of 162nd Street West and west of Buck Hill Road.
- Several items were approved during the [November 18 City Council meeting](#):
 - Cedar Hills North preliminary plat application, which proposes 88 single family lots and 144 attached townhome lots to be located north of 200th Street West and east of Cedar Avenue.
 - A resolution to approve the Dakota County Community Development Agency administering Lakeville's Local Affordable Housing Aid (LAHA) funds in 2024. In 2023, the state legislature passed a housing bill that established a 0.25% metropolitan regional sales tax for housing needs. Lakeville will receive a distribution of aid of \$229,464.59 in 2024.
 - City Council members received public comment on the proposed utility franchise fees.
- The Salvation Army will be opening a thrift store and donation center soon at 17625 Kenrick Avenue (in the former Goodwill location). The business is currently accepting donations at the Lakeville location.

- Kinmount Exteriors has opened at 17769 Juniper Path next to Cosmopolitan Orthodontics. The business offers residential and commercial roofing, siding and gutter installation.

Under Construction

- Construction is underway on a 6,523-square-foot commercial office building located at 9057 203rd Street to be called Kenwood Commons. The facility will include three office suites for lease.

Building Permit Report

The City has issued building permits with a total valuation of \$216,547,726 through October. This compares to a total valuation of \$235,121,130 for building permits issued through October of 2023.

The City issued permits for 245 single-family homes through October with a total valuation of \$74,706,000. This compares to 274 single-family home permits through October of 2023 with a total valuation of \$79,584,000.

The City has also issued 110 townhome permits with a total valuation of \$25,856,001 through October, compared to 126 townhome permit with a total valuation of \$26,667,000 during the same period in 2023.

The City has issued one apartment permit (89 units) with a total valuation of \$32,000,000 through October 2024. This compares to nine apartment permits (252 units) with a total valuation of \$21,600,000 through the same period in 2023.

Lakeville is currently ranked #3 in year-to-date Twin Cities residential building permits, according to Housing First Minnesota.

Additional Highlights

- Tina Goodroad, Community Development Director presented information during the [October 28 City Council Work Session](#) on potential amendments to the Tree Preservation Ordinance.
- Community Development staff represented Lakeville during the 17th Annual MNCAR Expo on October 30 by hosting a booth. The event was held at The Depot in Minneapolis and attended by 750 real estate brokers and developers.
- Community Development staff hosted a booth at the Minnesota Real Estate Journal's 16th Annual Industrial Summit in Golden Valley on November 6 that had approximately 300 attendees.

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.