AGENDA
CITY COUNCIL WORK SESSION

January 27, 2025 - 6:00 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

45 minutes	a.	2025 Legislative Priorities	
30 minutes	b.	Proposals for Food Truck Festivals in Downtown Lakeville	Joseph Masiarchin, Brad Paulson
20 minutes	c.	Lakeville Fire Relief Association Pension Amendment	Michael Meyer, Julie Stahl
30 minutes	d.	Discussion of Zoning Ordinances Related to Missing Middle Housing	Tina Goodroad
15 minutes	e.	2025A Bond Issuance - Street Reconstruction & CIP Project	Julie Stahl

4. Items for Future Discussion

5. Committee/ City Administrator Updates

6. Adjourn

Date: 1/27/2025

2025 Legislative Priorities

Proposed Action

No action required – discussion only.

Overview

As the 2025 Minnesota State Legislature gets underway, there will be many legislative initiatives and bills considered. The adoption of legislative priorities is intended to portray the city's positions on a variety of issues and to communicate to Lakeville's residents, legislators, county and state officials, lobbying organizations, and other interested parties Lakeville's position on a variety of significant legislative topics. These priorities have been separated into two sections - primary and additional priorities.

For 2025, the primary priorities include:

- Downtown Lakeville Social District
- State Mandates on Local Authority
- Post Office Improvements
- County Road 50/Interstate 35 Interchange Capacity

The city is excited to welcome our state, county, and regional representatives to the January work session to share and discuss our legislative priorities.

Supporting Information

1. 2025 Legislative Priorities (Final)

Financial Impact: $ **Budgeted:** No **Source:**
Envision Lakeville Community Values: Good Value for Public Service
Report Completed by: Allyn Kuennen, Assistant City Administrator

City of Lakeville

2025 Legislative Priorities




Adopted: December 16, 2024

TABLE OF CONTENTS

Primary Legislative Priorities

A. Downtown Lakeville Social District

The City of Lakeville is requesting the Minnesota State Legislature grant a special provision to allow the City of Lakeville to designate a "Social District" within the Downtown area, modeled after the City of Anoka legislation adopted in 2022.

B. State Mandates on Local Authority:

Lakeville opposes statutory changes which erode local control and authority including, but not limited to:

- Mandates that limit the city's ability to manage our development standards, zoning regulations, and the use of right-of-way.
- Unfunded mandates that cause increased property taxes which impede the city's ability to fund traditional services.
- Regulations prohibiting the imposition of infrastructure fees so new development pays its fair share of the off-site, as well as the on-site, costs of public infrastructure to adequately serve the new development.

C. Post Office Improvements:

In March of 2021, the United States Postal Service released its 10-year plan, 'Delivering for America,' to return the organization to financial sustainability and achieve service excellence while maintaining universal six-day mail delivery and expanding seven-day package delivery. The Lakeville Post Office currently struggles to make consistent daily deliveries to residents, much less expanding to delivery seven days a week. The report indicates the successful implementation of the 10-year plan requires partnership from legislative and regulatory stakeholders. The City of Lakeville has contacted our local elected federal representatives and requested a review of the operations of the Lakeville Post Office. It is essential, for a growing city of over 75,000 residents, that the Federal Government implement improvements to Lakeville's Post Office including the renovation and expansion of the sorting and distribution facility, upgrades to technology, increased staffing and training, and updated vehicle fleet and logistics to provide improved customer service and consistent and reliable handling, sorting and delivery of mail services. Further, the City desires a path forward to consolidate the city into one contiguous zip code to help avoid confusion related to mailing addresses.

D. County Road 5/50 Interchange Improvements at Interstate 35:

County Road 5/50 is categorized as a minor arterial with an annual average daily traffic volume of 28,000 vehicles that pass through the interchange. Interstate 35 (I-35) has an annual average daily traffic volume between 75,000 to 80,000 vehicles at this interchange. The Interchange has high crash rates and significant traffic congestion due to insufficient capacity, sight distance, and turn lanes, and requires replacement to improve safety and delays. As the largest city in Dakota County and one of Minnesota's fastest-growing populations, the City (along with Dakota County) has been planning to replace this deficient Interchange for more than 20 years and made significant local investments (more than $22 million) in right-of-way acquisition, local road reconfiguration, and draining improvements, along the County Road 5/50 corridor and within the Interstate 35 interchange area in preparation for future safety and capacity improvements.

Replacing the County Road 5/50 Interchange at I-35 will provide the necessary infrastructure and investment to make safety and capacity improvements, improve existing and future regional mobility along the County Road 5/50 and I-35 corridors (E-ZPass, auxiliary or general purpose lane), and encourage additional job creation and tax base through new commercial and industrial development. The City is partnering with Dakota County and potentially MnDOT to coordinate interchange improvements to increase efficiencies and reduce impacts to the traveling public and existing businesses (MnDOT's Capital Highway Investment Plan programs replacement of the I-35 bridges over CSAH 60 and 205th Street, repairs to the I-35 bridges over Lake Marion and pavement improvements between CSAH 70 and the I-35E/35W split in 2029 to address existing deteriorating infrastructure). Currently, Dakota County is developing preliminary plans for a new County Road 5/50 Interchange at Interstate 35 as part of a $5,040,000 federal funding appropriation.

Additional Legislative Priorities

Local Control, Municipal Revenue & Taxation

A. Regulation of Adult-Use Cannabis and Cannabinoid Products:

The 2023 legislative session enacted legislation making Minnesota the 23rd state in the country to legalize adult-use cannabis. The new law, ch. 342, created a statewide regulatory framework for adult-use cannabis establishing state-issued licenses for the industry from seed to sale. The regulatory structure includes local regulation, with cities responsible for registering certain cannabis businesses that are licensed by the state and conducting compliance checks. The law requires businesses to comply with local zoning ordinances, authorizes cities to implement license limits, and authorizes cities to implement ordinances to establish a petty misdemeanor for public use of cannabis and cannabinoid products. These authorizations aside, cities have very limited discretion in the regulation of the industry. In addition to the adult-use cannabis market, cities continue to navigate the regulation of cannabinoid products legalized by the 2022 legislative session under chapter. § 151.72. As the Office of Cannabis Management is created and rulemaking is conducted, cities have continued to implement local licenses for the products.

Finally, the new law authorizes cities to impose an interim ordinance to study the issue and restrict, regulate, and prohibit cannabis businesses until January 1, 2025. However, estimates from state agencies and the rulemaking timeline established by law indicate that final rules will not be available until early 2025. The authority to conduct an interim ordinance study should better align with the establishment of rules for the new law to allow cities to properly study the issue. Many questions remain for what is to be seen from the Office of Cannabis Management and the cannabis industry as it is established. Cities will be a critical component of the regulation and enforcement of this industry.
In any future legislation, the following should be considered:

- The timeline authorized for interim ordinances to conduct studies on the adult-use cannabis industry should be extended to better align with the conclusion of rulemaking for ch. 342 to provide adequate time for cities to study the rules once adopted.
- Any legislation considered should be responsive to the needs of cities as they arise from the implementation of this industry, including evaluating and potentially increasing the appropriation provided through the Local Government Cannabis Aid fund to ensure adequate funding for local governments to respond to challenges resulting from the cannabis industry.
- Legislation should increase, and at a minimum maintain, any discretion and local control granted to cities in current legislation.

- The City opposes any proposals to diminish local control related to the cannabis industry.

B. Expansion of Wine and Strong Beer Sales in Grocery/C-Stores:

Lakeville Liquors provides over $1.5 million in property tax relief annually to our property taxpayers. Lakeville opposes any legislation that would allow the expansion of the sale of wine and strong beer beyond existing licensed premises due to significant detrimental economic impacts on city revenues and the negative effect on preventing drunk driving and underage alcohol sales and consumption. Minnesota law already allows grocery stores, gas stations, convenience stores, and wherever beer is sold to sell 3.2 beer.

C. Elections:

In 2024, the City of Lakeville spent $116,312 and 19,185 hours of staff time on three elections (presidential primary, general primary, and general election). Cities are essential in administering state and federal election laws and conducting voting activities. To strengthen the effectiveness of election administration, the Legislature should:

- Seek input from cities on proposed changes to voter registration, election law, and needed improvements and updates to the Statewide Voter Registration System (SVRS).
- Provide Cities with ongoing and sufficient funding through the Voting Operations, Technology, and Election Resources Account (VOTER) fund to provide cities with resources to conduct elections and meet the mandated requirements outlined in the statute.
- Provide ongoing resources to cities that administer absentee balloting and early voting for the extended early voting period and additional weekend hours required during a general election.
- Ensure that local government units are fully reimbursed for all anticipated and unanticipated costs of conducting the presidential nomination primary.

D. Met Council Governance:

The 17-member Metropolitan Council has 16 members, who represent geographic districts within the Twin Cities seven-county metropolitan area, with one member serving at large. However, they are all appointed by and serve at the pleasure of the Governor and typically fall within the current governor's party affiliation. To provide a governance structure that is more representative of our respective communities, local governments (cities and counties) should be afforded an opportunity to provide input in the selection process for members who represent local interests in regional planning efforts.

E. Revenue Restrictions:

The City of Lakeville strongly opposes levy limits and other financial restrictions imposed upon local governments. Local taxpayers hold their local elected officials accountable for local government spending and taxing decisions. When the state imposes levy limits, reverse referenda, or other fiscal restraints on local elected officials, it negatively impacts the ability of cities to meet the needs of their residents and removes the autonomy of local officials.

F. Data Practices Act:

The City of Lakeville supports a comprehensive periodic review of the Minnesota Government Data Practices Act (MGDPA) which was first enacted in 1979, over 40 years ago. Times have changed, specifically with technology. In 1979, cities were mainly maintaining data in paper form. Legislators from that time could not have imagined where technology would be today. The MGDPA should be updated to address those changes. The City of Lakeville should support these efforts:

- Provide additional state funding to assist Cities with meeting the increasing complexity of managing government data and records.
- State funding should be provided for statewide data practices training.
- Allow Cities to charge for the staff time required to comply with wide-ranging data requests regardless of where copies of the data are requested.

G. Fiscal Disparity Fund Distribution:

The City of Lakeville supports the Fiscal Disparities Program and any effort to modernize and improve the program to fund the needs of the metro area.

H. Targeting Property Tax Relief Directly to Individuals:

The City of Lakeville supports targeting property tax relief directly to individuals as opposed to direct aid programs like Local Government Aid (LGA) and believes that income, not property value, is the most appropriate measure of "ability to pay" property taxes. Lakeville supports additional property tax relief to those in greatest need by directing dollars to the circuit breaker program from programs such as LGA. The circuit breaker income adjusted property tax relief program provides direct assistance to those homeowners in greatest need, whether those local homeowners reside in a city that receives direct aid from the State.

The City of Lakeville also supports modifications to the homestead market value exclusion program. The general parameters of the program have not changed since 2011 and recent trends in residential home values have significantly reduced the value of the exclusion for many homeowners. The legislature should adjust the program to reflect the increases in market values.

I. Cyber Security

A Legislative Commission on Cybersecurity was established in 2021 to provide oversight of the state's cybersecurity measures and review and make policy recommendations to state agencies and the legislature to strengthen the state's cybersecurity infrastructure. However, many of the commission recommendations have not yet been implemented, which creates cybersecurity vulnerabilities, especially at the local level as many communities lack the necessary tools and capabilities needed to protect their systems. The problem is serious. Each month Minnesota IT Services defends against roughly 27,000 phishing emails and messages across all state agencies and several cities and counties have been recent targets of ransomware attacks as local governments continue to remain particularly vulnerable to cyberattacks. The passage of the federal Infrastructure Investment and Jobs Act of 2021 provided additional federal resources to Minnesota to better prepare the state's preparedness and response to future cyberattacks. However, even with additional federal resources, many cities across the state remain vulnerable to cyberattacks and are in need of hardware and software support.

The City of Lakeville supports state action to identify and strengthen state and local capabilities, including the funding to evaluate state government cyber vulnerabilities, single points of failure, and fixes, and, based on those findings, create an ability for municipal governments to apply for grant funding or assistance to help conduct the same evaluation. Additionally, state and federal policymakers should:

- Seek municipal government input on any direction of state or federal funding that seeks to address cybersecurity preparedness and response and ensure city government participation in any task force or planning committee tasked with directing funding priorities for local government cybersecurity efforts.
- Ensure that any grant program administered by Minnesota IT balances the unique needs of smaller, less-resourced cities and larger cities and base cybersecurity funding opportunities on locally identified needs.
- Avoid unfunded mandates related to data notification breaches by ensuring proactive discussions with lawmakers and state leaders regarding cybersecurity awareness, prevention, remediation, and breach notification.

J. Regulation of Massage Therapists

In the absence of any required statewide standards or regulations, several cities have entered the traditional state domain of healthcare licensure by enacting ordinances that require all massage therapists to obtain a local professional license and many cities have also required brick-and-mortar establishments to obtain a business license. These ordinances help local law enforcement officers to differentiate between legitimate providers and businesses engaged in sex trafficking and prostitution, as well as provide for health and sanitation standards.

City staff and law enforcement have spent a lot of time and resources conducting statewide criminal background checks; investigating massage therapist accreditation programs to determine legitimacy and credibility; and inspecting and monitoring establishments due to resident complaints and concerns. This has resulted in different procedures, requirements, and fee structures across the state. Despite the thorough work of city staff and law enforcement, when an illegitimate business suspects investigation, it will often close down and re-open in a different city. Without any sort of statewide database of these businesses, one city's solution may become another city's problem. Additionally, local law enforcement agencies do not have access to national criminal history data. This has allowed those with criminal convictions in other states related to sex trafficking and prostitution to obtain massage therapy business and/or professional licenses in cities in Minnesota. Allowing access to this information could help cities prevent sex trafficking across state lines.

The City of Lakeville supports the statewide registration or licensure of massage therapists that would not pre-empt the ability of cities to regulate massage therapy establishments. The city also supports legislation pertaining to the practice of massage therapy that accomplishes the following:

- Helps cities establish the legitimacy of providers and businesses applying for a local license to practice, including allowing local law enforcement agencies access to national criminal history databases.
- Prevents individuals from conducting criminal activities such as prostitution and sex trafficking out of establishments operating as massage therapy facilities.
- Improves provider compliance with Minn. Stat. ch. 146A and requires the state to take action in response to noncompliance.
- Protects the public from injury and from other conditions that may result in harm.

K. Sales Tax on Local Government Purchases

The local government sales tax exemption enacted in 2013 and expanded in 2014 does not apply to all city purchases. Some purchases for municipal enterprise operations, such as liquor stores and golf courses are excluded from the exemption. In addition, in order to receive the sales tax exemption on construction materials under current law, cities must bid labor and materials separately and also designate a contractor to be a purchasing agent on behalf of the city. The existing Department of Revenue rules (Minn. Rule 8130.1200, subp. 3) are complex and the implementation can be so complicated that it can cost cities more money to implement than they will save on the tax exemption. Finally, although cities currently do not pay the motor vehicle sales tax on marked police vehicles or firefighting vehicles, other city vehicles are not exempt from the motor vehicle sales tax.

The 2021 legislature extended the sales tax refund process under Minn. Stat. § 297A.71 and Minn. Stat. § 297A.75 to contractor purchases of construction materials, supplies, and equipment incorporated into public safety buildings for initial construction, remodeling, expansion, and improvements for public safety facilities owned by local units of government. The refund process also applies to materials used in related facilities such as access roads, lighting, sidewalks, and utility components.

In order to ensure that taxpayers receive the full benefit of the local government sales tax exemption, the following must be implemented:

- The exemption should apply to all purchases made by local units of government.
- The process to receive the exemption for construction materials used in local government projects should be simplified or added to the refund process now available for local government public safety facilities.
- The exemption should be extended to all local government purchases that would otherwise be subject to the motor vehicle sales tax in Minn. Stat. ch. 297B.

Transportation

A. Transportation System Improvement and Maintenance Funding:

The City of Lakeville supports State efforts to bolster financial resources needed to address road, highway, and freight rail improvements. The City of Lakeville also supports efforts to provide cities with adequate tools to fund maintenance and improvements to local roadways. Current levels of funding for roads and highways are inadequate to maintain existing road and highway needs and meet the needs of growing areas such as Lakeville. Lakeville recognizes the need for additional transportation funding statewide and will continue to advocate for additional resources to maintain the State's transportation infrastructure. In addition, cities still lack the authority to use additional tools for city street improvements; such resources continue to be restricted to property taxes and special assessments. It is imperative that alternative authority be granted to municipalities for this purpose to relieve the burden on the property tax system. The City of Lakeville will be financing millions of dollars in street maintenance and reconstruction projects with property taxes over the next several years. Street maintenance and reconstruction projects will be the most significant contributing factors to future property tax increases. This is in addition to millions of dollars in project costs financed from other sources such as special assessments and municipal state-aid street funding. Legislation that penalizes local projects based on greenhouse gas emission calculations hampers efforts to modernize and expand needed transportation corridors and should be repealed or amended.

B. Dan Patch Commuter Rail Corridor:

Lakeville is opposed to any State or Federal funding that supports the study, planning, design, or engineering of the Dan Patch Corridor.

Economic Development

A. Workforce Readiness:

Incumbent worker training and education must be an important component of Minnesota's efforts to improve workforce readiness. By making firms and employees more competitive, incumbent worker training can increase wages, increase employment opportunities, fill skilled worker gaps, and keep jobs and employers in their communities. The Minnesota Job Skills Partnership is one proven tool that provides training to thousands of incumbent workers each year. The City of Lakeville is in favor of legislation to address the following:

- Fully fund the Minnesota Job Skills Partnership and other workforce training programs administered by the Department of Employment and Economic Development, the Department of Human Services, and various education agencies.
- Provide additional flexible funding to local workforce councils, including governments and educational facilities, for the purpose of upgrading the skills and productivity of the workforce, and pursuing additional creative programming and funding to prepare and place underemployed and unemployed Minnesotans, as well as address the issue of those phasing out of the workplace and retiring.
- Provide additional funding for programs specifically designed to address youth employment such as career and workforce readiness programs, and employment disparities.
- Continue to support cities that provide workforce programs that are coordinated with and complement state and regional efforts by seeking municipal approval before making any changes to those service areas.

B. On-Sale Liquor or Wine Licenses:

Minn. Stat. § 340A.404 defines the establishments to which a city may issue an on-sale intoxicating liquor license. Every year cities see local businesses and organizations with innovative models for event centers, food halls, arenas, boutiques, museums, art spaces, and cultural or community centers that are not clearly named in this statute but would like to obtain a liquor license. Several cities have received special legislation allowing their municipalities to issue on-sale liquor or wine licenses to these types of entities. However, this process interferes with the ability of municipalities to respond expeditiously to innovative business models, controls the placement and operating manner of these entities, and limits municipalities from providing licenses for businesses that would generate local tourism and revenue.

The City of Lakeville supports legislature to modernize and expand the list of establishments in Minn. Stat. § 340A.404 to which municipalities are authorized to issue on-sale liquor or wine licenses, subject to restrictions imposed by the municipality, to allow for innovative business models and economic development within their jurisdiction.

C. Expansion of the Job Creation Fund (JCF) and Minnesota Investment Fund (MIF):

The City of Lakeville supports the expansion of state programs to allow cities the ability to provide competitive incentive packages. The Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. The Minnesota Investment Fund provides financing to help add new workers and retain high-quality jobs on a statewide basis. Both programs have successfully been used in Lakeville and are needed economic development tools.

The City of Lakeville supports fully funding the Minnesota Job Skills Partnership and other workforce training programs administered by the Department of Employment and Economic Development, the Department of Human Services, and various education agencies.

D. Expansion of Broadband Highspeed Internet:

Access to highspeed internet is essential for businesses and cities to compete in a global economy. Many commercial and residential areas within Lakeville do not have access to consistent and reliable broadband service. To promote economic development and to ensure reliable highspeed broadband internet access the following steps should be implemented:

- Fully fund the Border-to-Border Broadband Grant Program and continue to encourage public/private sector collaboration.

- Support measures to authorize and encourage cities and other local units of government to play a direct role in providing broadband infrastructure and/or services.
- Offer incentives to private sector service providers to respond to local or regional needs and to collaborate with cities and other public entities to deploy broadband infrastructure.
- Remove barriers and restrict anti-competitive practices that prevent or impede cities, municipal utilities, schools, libraries, and other public sector entities from collaborating and deploying broadband infrastructure and services at the local and regional level.

E. Tax Increment Financing (TIF):

Cities need greater flexibility to use TIF for community and economic development that supports residents and businesses. Further restrictions of TIF would render the tool less effective and hinder local efforts to support job creation, housing, and redevelopment. The Legislature should consider expanding the use of TIF to assist in the development of technological infrastructure and products, biotechnology, research, transportation, and transit-oriented development, non-retail commercial projects, and modifying the various provisions of existing TIF law to better facilitate redevelopment and housing activities.

Housing

A. City Role in Housing:

The city values living options for people of all ages and stages of life. Lakeville strives to be a community where residents can live and age in place. Lakeville will accommodate individuals and families at all stages of life and strive to meet the housing, transportation, education, shopping, access to health care, and other needs of all demographic groups within the city. Funding for life cycle, workforce, and affordable housing is the responsibility of State and Federal governments and should not be borne solely by local property taxpayers. In addition, the city opposes any mandated housing requirements. Cities can facilitate the production and preservation of life cycle, workforce, and affordable housing by:

- Applying for State or Federal funding from applicable grant and loan programs.
- Working with developers and residents to blend life cycle and affordable housing into new and existing neighborhoods.
- Establishing standards that encourage lifecycle and affordable housing.

Date: 1/27/2025

Proposals for Food Truck Festivals in Downtown Lakeville

Proposed Action
Staff is seeking direction from the Mayor and City Council regarding two food truck festival proposals, both to be held in Downtown Lakeville.

Overview
Staff has received two food truck festival proposals from different organizations, the first of which would be held on Saturday, May 17, 2025, the second event would be held on Saturday, August 2, 2025. Both groups are hoping that these would become new annual community events. Staff has sought feedback from the Downtown Lakeville Business Association and has invited both groups to attend the Council Work Session to answer questions about their respective proposals. Staff is seeking Council direction as both proposed events will require city resources and impact the downtown area businesses and residents.

Supporting Information
1. May 17 Food Truck Festival Proposal
2. August 2 Food Truck Festival Proposal

Financial Impact: $0 **Budgeted:** No **Source:** NA
Envision Lakeville Community Values: Access to a Multitude of Natural Amenities and Recreational Opportunities
Report Completed by: *Joe Masiarchin, Parks and Recreation Director*

LAKEVILLE FOOD TRUCK FESTIVAL – May 17, 2025

Proposed by:

Hayden, Gina & John Ehrisman – Owners Dairy Delight

Jason Saji – Owner B52's and The Better Half

Dan Pellinen – Pan-O-Prog Food Vendor Coordinator

Event Licensed by – B52's Community Fund – 501-3c Non Profit Corporation

Bringing More FUN to Downtown Lakeville!

We are pleased to bring forward this proposal of a Food Truck Festival to create even more energy and excitement to downtown Lakeville! Downtown's must always evolve and change to continue to be relevant and a desired place to visit and shop. With nearly 80,000 residents, Lakeville is currently the eighth-largest city in Minnesota and growing fast. The community deserves to be at the forefront of providing unique, engaging events that bring people together — and a food truck festival is just one more way to do that.

We envision hosting this food truck festival annually, and after reviewing various locations, we've concluded that the downtown district would be the ideal setting. The combination of existing restaurants, bars, businesses, and ample parking alongside the food trucks will create a dynamic atmosphere, drawing both residents and visitors to experience everything downtown Lakeville has to offer.

Community Feedback and Site Considerations

We presented our initial plan to the Downtown Lakeville Business Association, which included temporarily closing Holyoke Avenue from 207th Street to Upper 209th Street. During the meeting and through follow-up emails, we gathered feedback from local businesses. Three businesses expressed concerns about having the festival on Holyoke Avenue, while six businesses were supportive of the plan. While no businesses were opposed to the food truck festival itself, some were hesitant about closing main street. Interestingly, none of the businesses represented at the meeting had ever attended a food truck festival, which suggests there may be a gap in understanding the full potential impact of such an event.

One alternative suggested site was to have the festival in the Lakeville Arts Center parking lot. After reviewing the site s size and amenities we have determined that the Arts Center parking lot is a viable site. We believe that this site would result in a far more dynamic and engaging experience. The food trucks, music stage, and children's fun area would all be contained within a more navigable area. This set up would make it easier for visitors to scout out all the food options that the trucks have to offer. We propose to fence off the entire festival area so that patrons may purchase alcohol and stroll through the event while determining their food options. We believe that this site will be ideal for the festival.

Many businesses have often heard residents say that they live in Lakeville and didn't even know that the downtown area was like this. This festival is a chance to showcase Lakeville's downtown district and help make it a go-to destination.

City Involvement and Event Logistics

To ensure a successful event, we recognize that cities cooperation and involvement will be essential. This includes working with the city to ensure local regulations are followed or adjusted where needed to accommodate the festival. Ultimately, decisions about required services and associated costs will need to be made in collaboration with the city and its departments.

We've outlined the plan and layout for the festival. The festival layout is attached. With May fast approaching there is not time to waste. We are eager to work closely with the city to finalize logistics and bring this exciting event to downtown Lakeville.

ARTS CENTER PARKING LOT AND NORTH LAWN

DATE: May 17, 2025 – Saturday
TIME: 11:00 am to 8:00 pm
LOCATION: Arts center front parking lot and North Lawn
VENDORS: 35 TO 40 VENDORS
VISITORS: 8,000 – 12,000

LOGISTICS- City Departments Involvement:

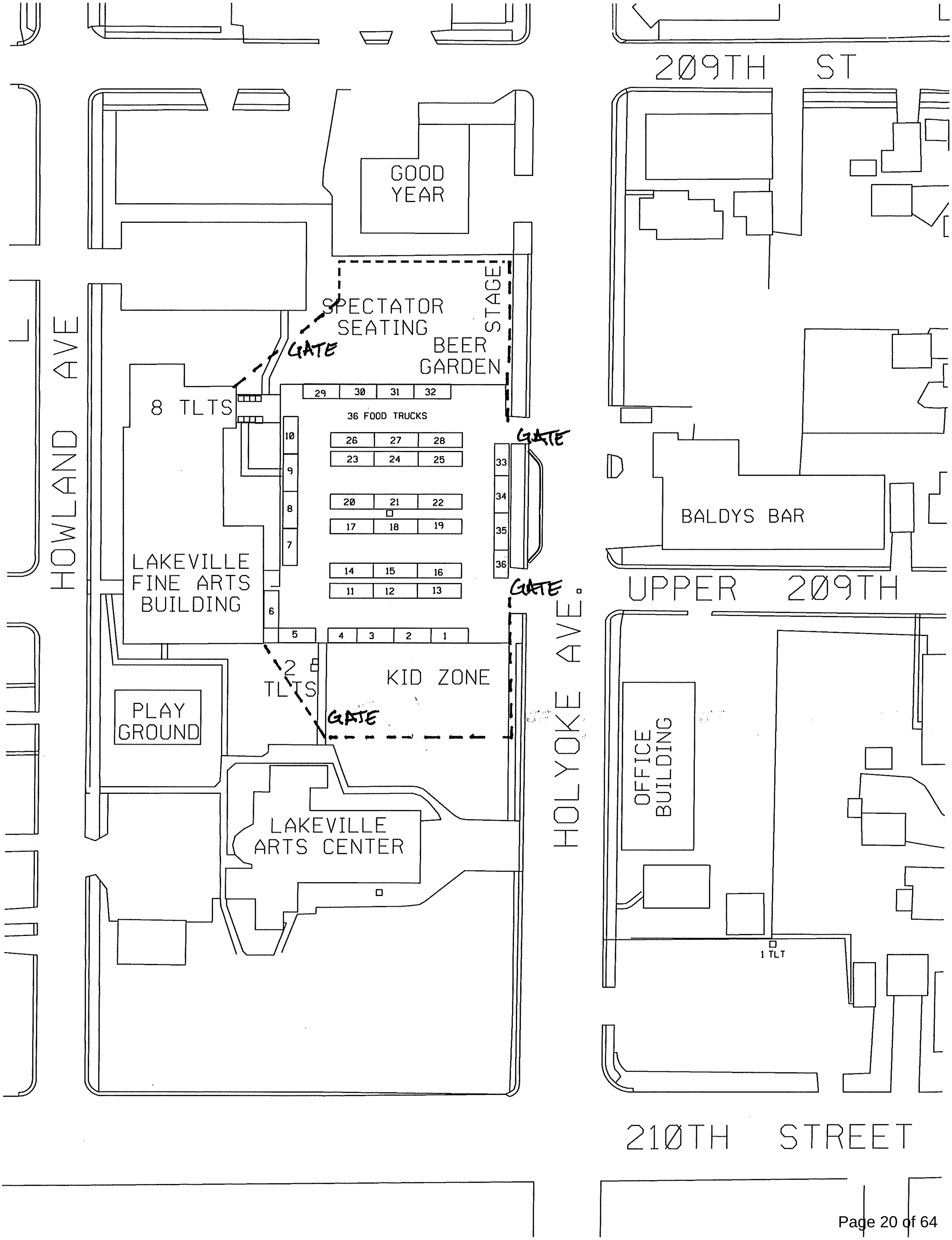
A. Closure of Arts Center Parking Lot from 6:00 am to 9:00 pm
B. Security – Police vs Private Security- What would be required?
C. Childrens Area – Lawn area north of Arts Center parking lot
D. Beer Garden and Music stage – Yard area north of parking lot
E. Required Permits

LOGISTICS- Event Organizer

A. 10 Porta Toilets – 2 Locations
B. 50 Trash cans/ 50 Recycle cans – placed throughout festival
C. 50 Stand Up cocktail tables – placed throughout festival
D. Small Music Stage – Set up in Art Center Lawn north of Parking Lot
E. Beer/ Wine Service –Entire Festival fenced in.
    a. Licensed and ran by B52's Off Site Catering License
    b. Beer Garden in a fenced off area in which alcohol must be consumed.
F. Children's Area - Bounce House, Face Painters, balloon artist, etc

FOOD TRUCK VENDOR REQUIREMENS:

A. Obtain City Mobile Food Vendor License prior to event
B. Insurance requirements above and beyond City License requirement
    - Name Non-profit as additional insured
    - Name City of Lakeville as additional insured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HOWLAND AVE
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UPPER 209TH
BALDYS BAR
2 TLTS
KID ZONE
GATE
PLAY GROUND
HOLYOKE AVE
OFFICE BUILDING
LAKEVILLE ARTS CENTER
1 TLT
210TH STREET

LA24OE000693

CITY OF LAKEVILLE
20195 Holyoke Avenue
Lakeville, MN 55044

RECEIVED
NOV 18 2024
BY: aa

APPLICATION FOR AN OUTDOOR ENTERTAINMENT EVENT PERMIT

DATE OF APPLICATION 11/13/2024

NAME OF ORGANIZATION Forward Events

BUSINESS ADDRESS PO Box 32222, Fridley, MN 55432

PHONE NO. (763)234-1756 E-MAIL info@mnfoodtruckfestival.com

NAME OF APPLICANT Jessica Fast

Daytime phone number (763)234-1756

Cellular phone number Same as above

Facsimile number NA

OTHER CONTACT PERSON Tom Broich

Daytime phone number (612) 719-0905

Cellular phone number Same as above

Facsimile number NA

RECURRING EVENT _____ YES X NO (If yes, attach the following information for each event)

The undersigned proposes to hold an Outdoor Entertainment Event in the City of Lakeville as follows:

DATE Saturday, August 2nd 2025

EVENT HOURS Start 11:00 AM Finish 9:00 PM

LOCATION OF OUTDOOR ENTERTAINMENT EVENT AND ANY OTHER AREAS TO BE USED IN CONNECTION WITH EVENT (attach a SITE PLAN showing the relevant areas)

Holyoke Ave between 207th Street W and Upper 209th Street W
(See attached Site Map)

DESCRIBE NATURE OF EVENT (dance, show, concert, etc.)

Lakeville Food Truck Festival -

Free event for all ages! 40 Food Trucks (not carts or food tents), local craft artisans & other mobile small businesses.

Live music, Beer/Wine/Seltzers, Lawn games and interactive stations

Charity Partner: Feed My Starving Children.

DESCRIBE EVENT PARTICIPANTS AND NUMBER OF EACH (attach additional sheets if necessary)

40 Food Trucks, 30-40 small busniess craft vendors

ESTIMATED PUBLIC ATTENDANCE AT OUTDOOR ENTERTAINMENT EVENT

5,000 +/- Estimated attendance would be throughout the day, not at one time.

DESCRIBE PARKING AREAS FOR EVENT ATTENDEES AND PARTICIPANTS AND ARRANGEMENTS FOR PARKING (attach a SITE PLAN showing parking areas)

No specified parking for event.

DESCRIBE TYPE AND NUMBER OF SANITATION AND HEALTH FACILITIES TO BE PROVIDED BY APPLICANT

20+ Portable Restrooms w/hand sanitizer.

8+ Portable handwashing stations.

DESCRIBE CITY SERVICES AND PROPERTY REQUIRED IN CONNECTION WITH OUTDOOR ENTERTAINMENT EVENT

Street Closure/Signage + Public Safety Assistance

INDICATE THE LOCATION AND NATURE OF POSSIBLE INTERFERENCE WITH THE NORMAL FLOW OR REGULATION OF TRAFFIC WITHIN THE CITY OF LAKEVILLE AS A RESULT OF THE OUTDOOR ENTERTAINMENT EVENT

Road closures on Holyoke Ave between 207th + Upper 209th Streets.

Partial road closure on Upper 208th Street W, between Howland Ave & Holyoke Ave.

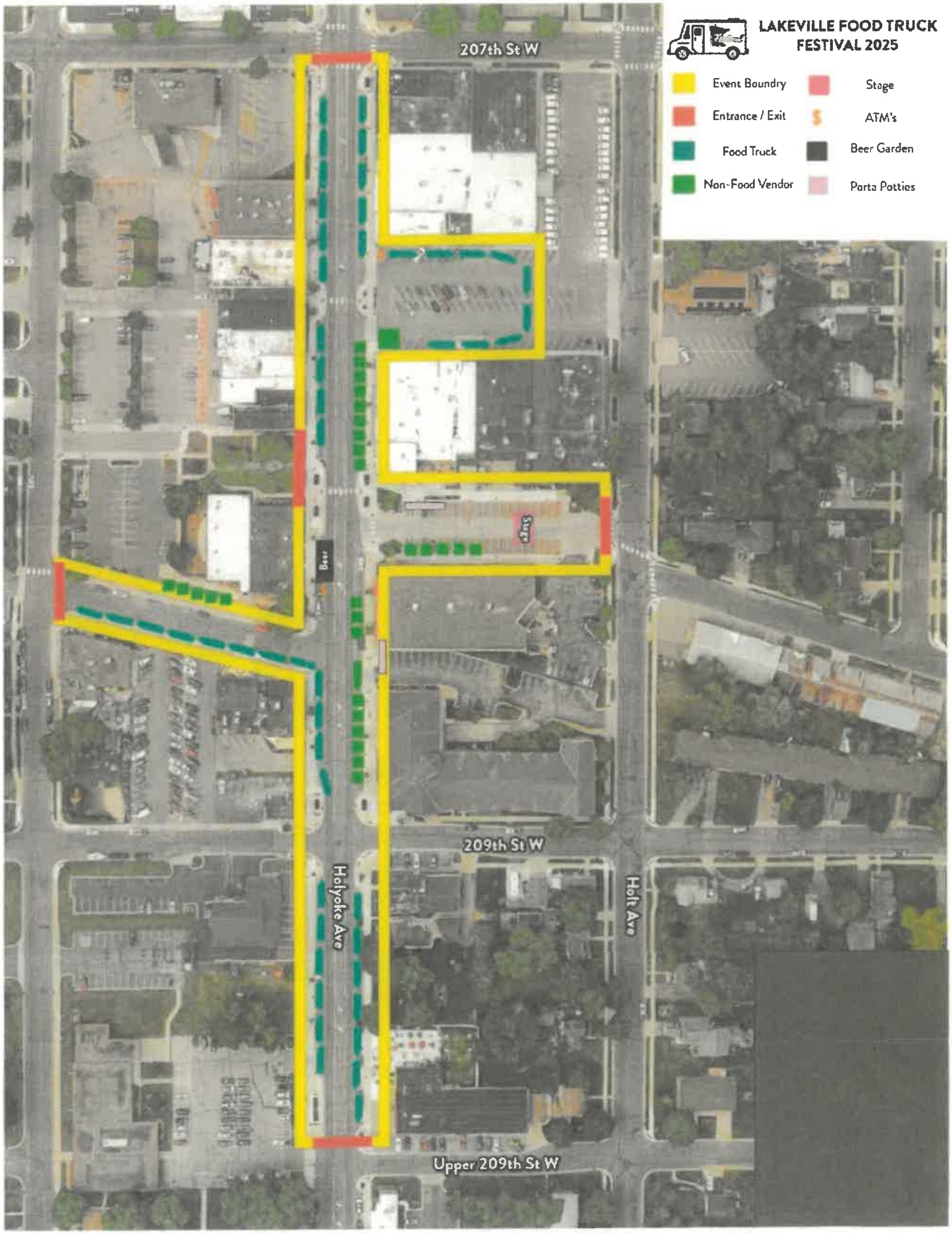
The undersigned agrees that the Outdoor Entertainment Event(s) listed in this application will be performed in compliance with all applicable state laws and ordinances of the City of Lakeville and any directions or conditions placed on the issuance of the permit. The undersigned applicant will assume full responsibility for payment to the City for all costs, if any, for clean up of city streets and property incurred in connection with the Outdoor Entertainment Event(s). The undersigned also agrees to secure and pay for any additional police protection required by the Chief of Police in connection with the Outdoor Entertainment Event(s) listed in this application prior to issuance of the permit. The undersigned certifies that he or she is the chief executive officer of the organization and is authorized by the applicant to apply for this outdoor entertainment permit.

APPLICANT SIGNATURE J Fast

PRINT NAME Jessica Fast

APPLICATION FEE: $25.00
(Code: 1000-4149)

Return application and fee to Lakeville City Clerk 952-985-4404
Permit issued by Lakeville Police Department 952-985-2800


LAKEVILLE FOOD TRUCK FESTIVAL 2025
Event Boundry
Entrance / Exit
Food Truck
Non-Food Vendor
Stage
ATM's
Beer Garden
Porta Potties
207th St W
209th St W
Upper 209th St W
Holyoke Ave
Holt Ave
Stage
Beer

Lakeville Food Truck Festival Proposal

Saturday, August 2, 2025
Downtown Lakeville - Holyoke Ave between 207th & 209th Streets
Event Hours: 11:00 AM - 9:00 PM
(References on last page)

We would be honored to bring our event to the City of Lakeville.

Event Overview

- The event is completely free to attend with 40 +/- food trucks, other non-food mobile vendors/local artisans, craft brews, games for the whole family (pets included) and live music all day long.
- Minnesota's food truck scene is incredibly diverse with a vast range of cuisines from all over the world. This event allows you to experience a majority of them in one day. There are "specialty" food trucks where the menu is dedicated to one thing and usually done really well: Pierogi's, Maine Lobster Rolls, wood-fired pizza to crafted tea-based drinks, gluten free Mini Donuts, and exclusively vegan.
- Another unique aspect of this event is incorporating other types mobile businesses, not just food: Fashion trucks, a Vintage Record Bus, Mobile Garden Center, Mobile Escape Rooms, a Volkswagen van turned photo booth, and a truck that sells locally-made dog treats, to name a few. Interactive vendors like Henna tattoo, mobile axe throwing and many other craft vendors. Ample picnic & hi-top tables, lawn games like bag toss & life size Jenga are spread throughout the event for attendees to enjoy.
- Those partaking in alcoholic beverages must provide proper identification and receive a 21+ wristband to designate from non-drinkers. A portion of the alcohol proceeds go to charity. Feed My Starving Children (FMSC) has been our charitable partner since 2017. This event is heavily centered around eating and FMSC is a beautiful counter-balance in which the event simultaneously raises meals for children in need. Since 2017 the food truck festivals have raised/donated over half a million meals and we try to raise 100,000 +/- each year.

Set-up & Street Closure

- Set up begins around 6:00 AM. Street closure is as early as you'll allow it and food truck/ vendor load-in is shortly after that. The food trucks need at least 3 hours prior to event-start to park and prep. Load-out and tear down wraps up an hour after events end and street sweeping begins around 10:30 PM.
- We use Warning Lites for street closures, delineators and redirecting traffic. Residents would know of any/all street closures a week or more in advance with Warning Lite signage. We incorporate additional signage and traffic blockades as needed per the safety of attendees inside the event boundary. Provisions for a minimum of 14' emergency access lanes throughout the event.

Garbage, Recycling & Cleanup of the Grounds

- The Vanella Group (TVG) handles every aspect of waste & recycling. They are one of the Twin Cities most reputable companies and the area is typically left cleaner than it was prior to the event. They supply and maintain trash & recycling receptacles, as well as refuse on the ground and tables throughout the duration of the event. Once all vendors are gone they vacuum sidewalks, street sweep all streets and parking lots used.
- TVG works with local haulers to relocate the trash and recycling at events end. 30-yard roll off dumpsters are typically delivered on-site on the business day prior to and picked up the business day following the event.

Restrooms & Hand-washing Facilities

- Biffs Inc. Portable Restrooms will supply the necessary amount of regular and ADA portable restrooms per estimated attendance. Those are monitored throughout the day, replenishing toilet paper and paper towels and hand sanitizer as needed. Hand washing sinks will be at each restroom "area", the beer station, and scattered randomly throughout the event area. Multiple hand sanitizer stands will be easy to access throughout the event as well, especially in higher contact areas, like ID/wristband stations.

Security & Fencing

- We work with off-duty police in every city we host an event in. The number of officers needed differs from city to city and we would coordinate those details with the police department. Regarding beer: We work with a licensed distributing company and would acquire the necessary permits and licenses to be in compliance with the City of Lakeville. Wristband/ID Stations are connected to the beer station and where guests get their ID's checked and receive a wristband to designate themselves from anyone one not drinking or not of legal drinking age. Examples of the wristbands, beer cups and what is on the menu will be given to our security/police officers in advance. No beer will be served to anyone without a wristband, no exceptions. Our bartenders are professionally trained and 99% have bartended at each festival since its inception. Beer would ideally be available throughout the entire event and not restricted to a small designated area. This is something we do in every city and monitor this using 21+ wristbands & security at entrance/exit areas.

Local Support

- We love to support and work with the local businesses. We encourage the surrounding community to involve their stores/ shops/ crafts on site. Holyoke restaurants and bars may initially see this as a threat to their business, but that is never the case. In all of our event locations, the local bars and restaurants have had record sales days and look forward to the influx in business all year. Additionally, they're notified well in advance and followed up with after the event. Our first year in any new city, we introduce ourselves in-person to each business directly affected by the event and leave our contact information. (Ie: businesses within and immediately surrounding the event perimeter)

Event Experience & References

Created and produced:

- Uptown Food Truck Festival (2013 - 2019)
- St.Paul Food Truck Festival (2016 - 2024)
- Anoka Food Truck Festival (2017 - Present)
- Hopkins Food Truck Festival (2022 - Present)
- NE Food Truck Rally @ Able Brewing (2016 - 2019)

References:

- Mark Anderson, City of Anoka Public Services Director: (763) 576-2921
- Andy Youngquist, Anoka PD Patrol Capt.: (763) 576-2818
- Stacy Gillings, St.Paul Citywide Special Events Coordinator: (651) 632-2447
- Sergeant Joshua Moore, St.Paul PD: (651) 398-9813
- Phil Schleisman, Minneapolis Special Events Coordinator: (651) 673-3907
- Officer Steve Sporny, Minneapolis PD: (612) 298-3158

Thank you for your consideration,

Jess Fast & Tom Broich
Owners/Organizers - MN Food Truck Festivals

www.mnfoodtruckfestival.com

Date: 1/27/2025

Lakeville Fire Relief Association Pension Amendment

Proposed Action
Lakeville Fire Relief Board and staff seeks directions on how to proceed.

Overview
Attached is a memo from the Lakeville Fire Relief Association requesting changes to their pension vesting schedule and compensation for non- officer board members.

Supporting Information
1. LFRB Memo 2024_25 (1)

Financial Impact: $0 **Budgeted:** No **Source:**
Envision Lakeville Community Values: Good Value for Public Service, Safety Throughout the Community
Report Completed by: Michael Meyer, Fire Chief

Memorandum

To: Mayor Luke Hellier and Lakeville City Council
From: Lakeville Fire Relief Association ("LFRA")
Copy: Mike Meyer, Fire Chief
Julie Stahl**,** Finance Director
Date: January 4, 2025
Subject: Proposed Amendment to Fire Relief Pension Benefit

Mayor Hellier and Lakeville City Council,

Once again we come before you amidst significant change and opportunity at Lakeville Fire Department ("LFD"). As you are aware, in October 2024, LFD was awarded a SAFER grant to provide funding for fifteen (15) new full-time firefighters. This will increase the number of full-time LFD firefighters to twenty-one (21) by March 1, 2025. Moreover, LFD has remained steadfast in its commitment to, and need for, approximately fifty (50) paid-on-call firefighters.

As the elected voice for all LFD paid-on-call firefighters, the LFRA Board has invested significant time and effort exploring the impact that SAFER grant awards have had on neighboring fire departments. Specifically, the LFRA Board has sought counsel to best handle the LFRA pension fund to address the following dynamics:

- Currently, the LFRA pension fund is overfunded (133%). It is the LFRA Board's responsibility to ensure that these funds are properly managed, which includes avoidance of overfunding. The proposed amendment herein addresses this head-on by right sizing the funding levels and allocating more funds to paid-on-call firefighters at the conclusion of their respective LFD tenure.
- Nine (9) current Lakeville paid-on-call firefighters will be transitioning to full-time on March 1, 2025. Absent the proposed changes herein, these firefighters will be subject to a less-favorable vesting schedule upon their forced exit from the LFRA pension plan, resulting in significant financial hardship. Moreover, the departure of these nine (9) firefighters from the LFRA pension fund further exacerbates the overfunding dilemma.
- The average tenure of a paid-on-call firefighter continues to shorten, whereby rendering 20 year full-vesting nearly impossible.

Proposed Amendments to LFRA Pension Benefit (Effective Upon City Council Approval):
Vesting Schedule Change:
- Current: Full vesting at 20 years; partial vesting initiating at 5 years of service (40%).
- Request: Full vesting at 15 years; partial vesting initiating at 5 years of service (50%).

This request is supported by both new and tenured paid-on-call firefighters. Furthermore, the proposed changes are consistent with other neighboring departments' improvements to their respective pension benefit plans.

LFRA has worked diligently to manage the pension in a way that optimizes the value to its members while also demonstrating fiscal responsibility to the City's taxpayers. In fact, the LFRA pension fund has not required direct investment from the City for over nine (9) years. As evidenced by the independent financial projections provided by CliftonLarsonAllen, coupled with historical fund performance, this proposal allows the pension fund to remain financially sound and sufficiently funded (*See Appendix – CliftonLarsonAllen LLP Data*).

For more than ten years, LFRA has partnered with the City and this Council to advance a meaningful pension benefit for all LFD firefighters. Due to these efforts, the pension benefit is the most impactful and actionable mechanism to attract and retain paid-on-call talent. Accordingly, the City has this opportunity to deliver an emphatic statement of support for LFD's paid-on-call firefighters by expressing its unanimous support for this proposal. With your prompt approval, we are confident that the necessary stability will be achieved during the LFD's continued transition.

Proposed compensation for non-officer board members:

To better serve its members, the LFRA will begin meeting monthly starting in 2025, which is a change from its current six (6) meetings per year. This change, supported unanimously by its Board Members, will allow for more opportunities to discuss important topics that require more thoughtful and diligent communication between members and the Board. The members of the Board understand the importance of this additional time as it has a positive impact to its members.

The Board, as a whole and individually as members, dedicates a considerable amount of time to initiatives to continue to serve its members, both in and outside of our Board meetings. Currently only LFRA Board Officers are compensated for their time and work on the Board. During our annual Department meeting in December, members vocally supported the idea of compensation for all Board Members, which would include our two (2) Trustee positions. The proposal, if approved by the City Council and the members of LFRA, would be to compensate the Trustee positions on the Board.

Board Member Compensation Change:

- Current: Only Officers of the Board are compensated.
    - Treasurer/Secretary - $3,000 annually
    - President/Vice President - $1,000 annually
    - Trustee(s) - $0
- Request: Both Officers and Trustees of the Board will be compensated.
    - Treasurer/Secretary - $3,000 annually
    - President/Vice President - $2,000 annually
    - Trustee(s) - $1,000 annually

Long Term LFRA Pension Benefit Vision

As a Board, we feel it is important to also share the long-term vision of the LFRA pension benefit. While this proposal represents a meaningful step forward, there is a strong desire from the LFD paid-on-call member base to further modernize the pension plan in next two (2) years. Accordingly, it is our intention and responsibility to explore converting the LFRD pension fund from a Defined Benefit Plan to a Defined Contribution Plan. There is ample precedent for this conversion with other Minnesota fire departments upon transitioning to a hybrid service model. We share this with you to maintain absolute transparency, and in the spirit of partnership will keep you informed as our understanding of this process continues to develop.

Thank you for your continued commitment to strongly support the men and women of the Lakeville Fire Department.

Respectfully Submitted,

Lakeville Fire Relief Association

Appendix

CliftonLarsonAllen LLP Data

5/15 (w/ 50% at 5 years) Vesting Calculations

Forecasted Year	Annual Benefit Level	Forecasted Return on Investments and Fund Vesting percentage			
		10%	8%	5%	2%
2024	$15,000	110.4%	108.5%	105.8%	103%
2025	$15,000	115.3%	111.6%	106%	100.7%
2026	$15,000	119.6%	113.3%	105.6%	97.8%

Average Return-7.23%

Lakeville Fire Department Members
Years of Service (Current)

Years of Service	Active Members
0-2	18
3-6	15
7-10	18
11-14	11
15-20	13
20+	3
	78

Lakeville Fire Relief Benefit Level and Funding History

Year	Municipal Contribution	State Fire Aid	Pension Benefit Level
2025	$0	TBD	*$15,000*
2024	$0	$695,405	*$15,000*
2023	$0	$575,879	$12,000
2022	$0	$508,676	$12,000
2021	$0	$429,690	$10,000
2020	$0	$407,568	$9,195
2019	$0	$377,598	$8,395
2018	$0	$361,701	$7,595
2017	$0	$347,635	$7,225
2016	$0	$342,276	$6,877
2015	$0	$335,889	$6,742
2014	$60,000	$312,542	$6,610
2013	$60,000	$309,365	$6,513
2012	$44,804	$217,958	$6,417
2011	$44,804	$213,067	$6,230
2010	$178,380	$196,224	$6,230
2009	$0	$191,073	$6,230
2008	$92,071	$224,674	$6,000
2007	$85,933	$264,923	$5,820
2006	$83,511	$304,523	$5,725
2005	$81,000	$284,395	$5,500
2004	$125,140	$291,147	$5,400
2003	$48,467	$220,209	$5,300

Date: 1/27/2025

Discussion of Zoning Ordinances Related to Missing Middle Housing

Proposed Action

No action is required; staff is seeking input on potential zoning amendments that could benefit missing middle housing.

Overview

In August Mayor Luke Hellier convened a discussion with several builders active in Lakeville regarding Missing Middle housing issues. Zoning topics discussed included garage size, lot size, exterior materials to name a few. The Planning Commission held a work session on December 5, 2024, to discuss the input from builders and how that might translate into potential zoning amendments. To assist in preparation for the work session, Planning Consultant, Dan Licht prepared a memo providing some history of the city's various zoning updates and background on various ordinance requirements and areas that could be adjusted to address some of the ideas from the builders. This memo and minutes from the Planning Commission work session are attached. Staff will summarize these topics in a presentation at the January 27th work session.

Supporting Information

1. November 22, 2024 TPC memo
2. 12-05 Planning Commission work session minutes

Financial Impact: $0 **Budgeted:** No **Source:**
Envision Lakeville Community Values: A Home for All Ages and Stages of Life
Report Completed by: Tina Goodroad, Community Development Director

TPC
The Planning Company

3601 Thurston Avenue
Anoka, MN 55303
763.231.5840
TPC@PlanningCo.com

MEMORANDUM

TO: Community Development Director Tina Goodroad
Planning Manager Kris Jenson

FROM: D. Daniel Licht

DATE: 22 November 2024

RE: Lakeville – Zoning Ordinance; Missing Middle Housing

TPC FILE: 135.01

BACKGROUND

Mayor Luke Hellier convened a discussion on 26 August 2024 with several builders active in Lakeville regarding Missing Middle housing issues. Missing Middle housing is the gap in the market of new housing supply attainable by median or lower income households caused by economic and regulatory factors that include land values, materials, labor, interest rates, regional development policies, and development regulations. Mayor Hellier's intent for the discussion session is for the city to proactively engage with residential builders to collaborate on potential solutions that benefit Lakeville, its existing and future residents, and the residential builders. Session participants all agreed that changes only to local development regulations would not significantly address housing cost issues, but the residential builders believed that such changes may expand the range of new housing values available in the market.

Many of the Lakeville development regulations mentioned by the residential builders at the discussion session were implemented following the completion of the 1994 Growth Management Strategic Plan, adoption of the 1998 Comprehensive Plan, and amendments of the Zoning Ordinance in 2000. Based on the history of our office's service to Lakeville and involvement in these and subsequent planning efforts, City staff requested we provide background information on these regulations for consideration by the Planning Commission at a work session scheduled for 5 December 2024.

ANALYSIS

Regional Density Requirements. The Metropolitan Council establishes minimum density thresholds for residential development within the Twin Cities Metropolitan Area within the regional development plan adopted every 10 years. The current ThriveMSP 2040 plan requires that the overall density of residential development in Lakeville be a minimum of 3.0 to 5.0 dwelling units per acre, which is effectively an increase from the prior 2030 regional plan requirement of a minimum of 3.0 dwelling units per acre. The Imagine 2050 regional development plan further increases the minimum residential density requirement to 4.0 dwelling units per acre. There is no reason to expect that the required minimum residential development density requirement will not increase with subsequent regional development plans. The increases in minimum development density required for residential land uses necessitates that the City review its development regulations to consider opportunities to achieve the required density with housing consistent with the City's goals.

1994 Growth Management Strategic Plan. The City initiated a strategic planning effort in 1994 to identify means of ensuring growth in Lakeville was managed and fiscally sustainable. Following approval of the 1994 Growth Management Plan, the Zoning Ordinance was updated to increase minimum lot area requirements, establish residential buffer yard and tree preservation requirements, include a provision that site plans for single family dwellings include space for three car garages, etc. Many of these development regulations have been modified over time but remain in place today.

2000 Zoning Ordinance Update. A fundamental goal of the 1998 Comprehensive Plan and 2000 Zoning Ordinance update was to standardize development requirements and allow for certain flexibilities through administrative permit, conditional use permit, or interim use permit processes. The objective of this effort was to minimize the use of Planned Unit Development as either a PUD, Planned Unit Development District that would allow for approval of any density or land use allowed by the Zoning Ordinance within a single project or as a Planned Unit Development – Conditional Use Permit that allowed for flexibility from any setback, height, lot area, width and depth, yards, or other dimensional standard.

PUDs are meant to allow for a higher level of development than can be realized through standard zoning requirements that benefit both the city and the developer. In practice, PUDs can be overutilized resulting in a myriad of standards applied from development-to-development with no consistency and providing no expectation on the part of residential builders as to what the City's minimum requirements are. A primary example of this would be townhouse developments in the city approved prior to 1998 that were required to be completed as PUD Districts as there were no performance standards set forth for multiple principal buildings on one lot, use of private drives, or design and construction standards for this form of residential land use.

The city prohibited use of PUD Districts for land guided by the Comprehensive Plan for Low Density Residential uses and eliminated Planned Unit-Development-Conditional Use permit as a planning tool with the 2000 Zoning Ordinance update. The 2000 Zoning Ordinance update also resulted in establishing the RST-2, Residential Single- and Two-Family District, RM, Residential Medium Density Districts, and RH, Residential High-Density Districts that included lot requirements and design construction standards for townhouses and multiple family dwellings. The development of these standards was based initially on ensuring sustainability of the City's housing supply in terms of livability, durability, and finance.

Residential builders participating in the discussion session were divided between wanting to see greater opportunity to utilize PUD Districts for their projects or a preference for the standardized approach implemented with the 2000 Zoning Ordinance Update.

Existing Zoning Ordinance: The following paragraphs outline specific provisions of the Zoning Ordinance noted at the discussion session that could be reviewed in response to Missing Middle housing issues. We have provided these in the order in which they are included in the Zoning Ordinance for ease of reference. The Planning Commission may discuss the opportunity to amend any or all of these provisions without regard to preference or priority.

- **Attached Garages.** The City established minimum area requirements for garages attached to single, two family, detached townhouse, and townhouse dwellings with the 2000 Zoning Ordinance update. The Zoning Ordinance was later amended to add minimum width requirements.

Dwelling Type	With Basement	Without Basement	Minimum Width
Single and Town Family	480sf.	540sf.	22ft.
Detached Townhouses and Townhouses	440sf.	540sf.	20ft.

The purpose of the minimum area requirements is to ensure that there is sufficient space within the garage for parking two vehicles, which is the off-street parking requirement established by the Zoning Ordinance for single family, two family, detached townhouse, and townhouse dwellings. The minimum area requirements also provide for storage space within the garage for storage of waste containers, bicycles, outdoor recreation equipment, seasonal decorations, etc. The minimum area required for dwellings without basements reflects that storage use within the garage is often needed when there is less space inside the dwelling itself.

Residential builders offered the following points regarding the minimum garage space requirements, particularly the additional space required for dwellings without basements:

- No other cities have a similar requirement for additional storage space for dwellings without basements.
- The minimum area requirement, especially that for dwelling units without basements, requires residential builders to modify their building plans specifically for Lakeville.
- A garage area less than 480 square feet is functional and other areas of the country are seeing increased use of one-car garages for townhouse dwellings.

The Planning Commission may consider amendment to the minimum area and width requirements, including eliminating the additional minimum area required for dwellings without basements.

Reference: 11-18-7.D; 11-57-19.C.; 11-58-21.C; 11-59-21.C

- **Residential Buffer Yards.** The City established standards requiring installation of landscaping and/or berms in yards abutting major collector and arterial streets for residential lots following the recommendations of the 1994 Growth Management Strategic Plan to minimize the impacts of high-volume traffic corridors on adjacent residential neighborhoods. The residential buffer yard requirements also included increasing the minimum depth of double frontage lots, width of corner lots, and setbacks abutting major collector or arterial streets to accommodate the landscaping. The residential buffer yard requirements were later amended to establish minimum height requirements for the screening in relation to the adjacent major collector or arterial street to provide for an effective buffer, which also triggered a corresponding increase in the minimum lot depth and lot width requirements for these lots.

The development standards required for lots abutting major collector and arterial streets reduces the density of development and results in lot sizes larger than that required by the Zoning

Ordinance applicable to interior lots. This is problematic for residential builders as it reduces the potential economic utilization of the parcel for development. The reduction in density also has implications for the City in terms of being able to achieve the minimum residential density required by the regional development plan adopted by the Metropolitan Council. Residential builders also noted as part of the discussion session that the quantity and height of landscaping adds cost to the development.

The Planning Commission may consider changes to the residential buffer yard requirements to reduce the lot and setbacks requirements and/or minimum planting specifications. It should be noted that reducing the minimum height of the residential buffer yard will have a corresponding effect on the minimum lot depth and width requirements (and thus lot area) for residential buffer yard lots.

Reference: 11-21-9.E

- **Single Family Lot Requirements.** Single family zoning districts consisted of the R-1, R-2, and R-3 Districts until 2010. The RS-4 District was established with the 2010 Zoning Ordinance update to provide an additional "small-lot" single family district reflecting changes to the housing market after the Great Recession of the 2000s. The single-family lot standards for the RS-4 District are used for single family lots allowed in the RST-1, RST-2 and RM-1 Districts or where a transitional land use is required in the RM-1, RM-2, RH-1, or RH-2 Districts.

District		Minimum Lot Area[1]	Minimum Lot Width[1]
RS-1		20,000sf.	100ft.
RS-2		15,000sf.	100ft.
RS-3		11,000sf.	85ft.
RS-4		8,400sf.	70ft.
RST-2	Permitted	8,400sf.	70ft.
	By CUP	7,500sf.	55ft.
1. Interior lot			

The City recently amended the Zoning Ordinance to include Section 11-57-7.H allowing greater flexibility from the single-family lot requirements within the RST-2 District by approval of a conditional use permit, shown above. The intent of these provisions was to codify the flexibilities allowed by the PUD Districts for Spirit of Brandtjen Farm and Avonlea such that lots of varied area and width could be incorporated into a neighborhood. Lots with varied lot areas and lot width expands housing choices within individual developments, utilizes developable land more efficiently and helps to achieve regional density requirements. Brookshire was the template development that these standards were first utilized for. These provisions of the lot area/width flexibility were raised at the discussion session:

  - **Zoning District.** The lot area flexibility is limited to only the RST-2 District. To expand the opportunity to apply such flexibility to more areas of the City, consideration may be given to incorporating allowing lots less than 8,400 square feet or 70 feet in width within the RS-4 and RST-1 District.

- **Minimum Lot Area.** The minimum lot area required is 7,500 square feet, but the Zoning Ordinance includes additional limitations. The mean and median area of the lots within the preliminary plat must be equal to or greater than the base district allowance. The intent of the mean area requirement is to 1) ensure the overall density is generally consistent with what would be allowed by the basic lot area and width requirements. The median lot area requirement ensures that the majority of lots are not significantly less than the basic lot area (and width) requirement with only the minimum necessary number of lots greater than the district minimum to achieve the mean lot area standard. The number of lots with an area or width less than the basic requirement of the district is also limited to 35 percent. The Planning Commission may consider:

  - Modifying or eliminating the mean lot area or median lot area requirements.
  - Modifying or eliminating the percentage limit on the number of lots with area or width less than the district minimum.
  - Requiring only that the density of the preliminary plat must be consistent with the land use guided by the Comprehensive Plan as a limit on the number and area of lots less than the district minimum.
  - Making the minimum 7,500 square foot area and 55-foot lot with the standard lot requirements within the RST-2 District.

  These changes would be responsive to comments from the residential builders that the existing provisions are cumbersome to navigate as part of the subdivision design process. City staff believes changes that make these provisions easier to administer would be beneficial and would help meet minimum regional density requirements. One concerns of City staff with reducing the minimum lot area and lot width requirement other than with these additional criteria or through a conditional use permit process is the City's ability to influence the subdivision design is minimized.

  The Comprehensive Plan encourages subdivision design to utilize a curvilinear street layout that responds to existing natural conditions of a parcel, results in variations in lot areas and widths, and minimizes through traffic and vehicle speeds opposed to a grid layout for streets and blocks. A condition requiring curvilinear subdivision design could be added to the Zoning Ordinance in combination with the other possible modifications to address this issue.

- **Minimum Plat Area.** A minimum preliminary plat area of 100 acres is required to qualify for the lot area flexibility as a conditional use. The intent was to approach such flexibility conservatively, at least initially, limiting the potential application to large tracts. Consideration may be given to reducing or eliminating the minimum preliminary plat area criteria. However, we would note that in order to provide a reasonable variety of lot areas/widths, a development does need to have a certain scale. We would recommend that the minimum preliminary plat area not be lowered to less than 20 acres (unless allowed as the minimum lot area and width within the RST-2 District).

Reference: 11-53-13; 11-56-13; 11-57-7.H

- **Base Lot Setbacks.** Detached townhouses and townhouse dwellings can be platted in two ways: as a unit and base lot or as a Common Interest Community. When townhouses are platted in a unit and base lot, the building and its dwellings are sited within an individual unit lot(s) surrounded by a base lot owned in common by the homeowner's association. The Zoning Ordinance requires a 30-foot setback from a detached townhouse or townhouse building to the base lot perimeter lot line.

The 30-foot setback was established with the 2000 Zoning Ordinance update when the City required a typical 30 foot front yard setback requirement and was meant to separate the townhouse dwellings from surrounding land uses. The Zoning Ordinance has been amended to allow a smaller 20-foot setback on the side of a townhouse building to public rights-of-way. Interior to the base lot, a minimum setback of 14 feet between detached townhouse buildings and 20 feet between townhouse buildings is required and the garage face of a town house must be setback 25 feet from public rights-of-way.

The residential builders at the discussion session and City staff agree that overlapping and varied setback requirements are difficult to apply and reduce the efficiency of development. The Planning Commission may consider the following changes to the RST-2, RM-1, RM-2, RH-1 and RH-2 Districts, which mirror the requirements of the R-3 District:

- Reduce perimeter setback to 10 feet.
- Minimum setbacks between all buildings within the same base lot of 14 feet.

Reference: 11-57-15.B; 11-58-17.B.1; 11-59-17.A; 11-61-15.D and E 11-62-15.D and E

- **Exterior materials.** One of the requirements standardized with the 2000 Zoning Ordinance update was exterior finishes for detached townhouse and townhouse dwellings. The intent of the regulations is to require durable materials that will minimize long-term maintenance for homeowner's associations. These requirements have been modified over time to include new materials such as fiber cement siding or engineered wood:

  1. *A minimum 25% of each elevation must be brick or stone.*

  2. *No one elevation may have more than 75 percent of one finish except for brick or stone.*

  3. *No material may be used for more than 60 percent of all elevations except for brick or stone.*

  4. *Except on the front elevation, rock face block, cement fiberboard, or engineered wood qualifies for meeting the brick or stone requirement provided that is extends the full width of the foundation and is at least 60 percent of the area of the elevation.*

  The Planning Commission may consider changes to these exterior material requirements, such as eliminating the requirement for brick or stone on the front elevation or a reduction in the required minimum of brick or stone alternative materials.

  Reference 11-57-19.B.3; 11-58-21.B.3; 11-59-21.B.3

- **Planned Unit Development.** As noted above, the 2000 Zoning Ordinance update include prohibiting use of PUD Districts for land guided Low Density Residential uses by the

Comprehensive Plan. This provision was amended to provide for a PUD District for a development of at least 540 acres allowing for the Spirit of Brandtjen Farm development and amended again to require a minimum of 320 acres allowing for the Avonlea development. Both of these developments were considered to be extraordinary projects that had been the subject of years of planning and include amenities well over and above any City requirement, especially as it relates to parks and open space.

As Lakeville continues to develop at a sustained pace, the number of large tracts to which the option of using a PUD District for development will continue to decrease. Furthermore, remaining, smaller undeveloped parcels may have challenges that cannot be easily addressed through the conventional standards of the Zoning Ordinance. Area's west of I-35 Lakeville are examples. Whereas the 1994 Growth Management Strategic Plan recommended addressing these challenges through larger lot sizes and less dense development, such considerations are not practical given regional minimum residential development densities that are now required to be maintained. This approach to development also does not provide for the same level of natural resource or open space protection that the city achieved through the PUD Districts of Spirit of Brandtjen Farm and Avonlea.

The Planning Commission may consider reducing the minimum area required for use of a PUD District to allow for greater flexibility in the use of such tools. Use of PUD District would remain at the discretion of the City with Planning Commission review and City Council approval. The purpose statements in Section 11-96-1 of the Zoning Ordinance provide guidance as to the appropriate use of PUD Districts:

A. Provide for the establishment of PUD districts in appropriate settings and situations to create or maintain a development pattern that complies with the comprehensive plan.

B. Allow for the mixing of land uses within a development when such mixing of land uses could not otherwise be accomplished under this title.

C. Provide for variations to the strict application of the land use regulations in this title in order to improve site design and operation, while at the same time incorporating design elements (e.g., construction materials, landscaping, lighting, etc.) that exceed the city's standards to offset the effect of any variations.

D. Promote a more creative and efficient approach to land use within the city, while at the same time protecting and promoting the health, safety, comfort, aesthetics, economic viability, and general welfare of the city.

E. Preserve and enhance natural features and open spaces.

F. Maintain or improve the efficiency of public streets and utilities.

G. Ensure the establishment of appropriate transitions between differing land uses.

Reference: 11-96-3

CONCLUSION

The information outlined herein is provided as background as to many of the development regulations discussed by Mayor Hellier, City staff, and residential builders current active in Lakeville related to Missing Middle housing issues. The Planning Commission will review this information at a work session on 5 December 2024. City staff is requesting input and direction as to areas of the Zoning Ordinance that the Planning Commission would recommend exploring possible amendments addressing Missing Middle housing issues. City staff would then proceed to prepare additional information and ordinance language for review and discussion by the Planning Commission.

CITY OF LAKEVILLE
PLANNING COMMISSION WORK SESSION MINUTES
December 5, 2024

Vice Chair Christine Zimmer called the work session to order at 6:02 pm.

Members Present: Vice Chair Christine Zimmer, Pat Kaluza, Jason Swenson, Amanda Tinsley, Patty Zuzek, Alternate Mark Traffas

Members Absent: Chair Jenna Majorowicz, Scott Einck

Staff Present: Community Development Director Tina Goodroad, Planning Manager Kris Jenson, Senior Planner Heather Botten

Others Present: Daniel Licht, The Planning Company, via Teams

Heather Botten, Senior Planner, was introduced to the Planning Commissioners, who in turn introduced themselves.

<u>Zoning Ordinance discussion of possible amendments related to housing standards</u>

Director Goodroad began by summarizing a meeting with local homebuilders, hosted by Mayor Hellier, to discuss ordinance requirements that may impact the construction cost of a home in Lakeville. Daniel Licht then began the discussion of topics raised in his November 22, 2024 memo.

Garages. The ordinance requires attached garages to have a minimum width, and for townhome units, a minimum floor area based on whether the unit has a basement or not. The Commission discussed the potential impacts of reducing/removing the width and/or area requirements, including the ability to park two vehicles in the garage and to keep trash and recycling containers inside. The Commissioners supported maintaining minimum garage width but supported dropping the requirement for a larger garage size for townhome units without a basement.

Residential Buffer Yards. The ordinance requires buffering to a minimum height of 10 feet, through a combination of berms and plantings, for residential developments adjacent to streets classified as major collector or higher. Reducing the height requirement could reduce or remove the need for a berm, which in turn reduces the amount of land needed for the buffer yard. Commissioners discussed buffer areas and acknowledged that homebuyers are purchasing a home knowing that the home is near or adjacent to a high traffic volume street and expressed support for reducing the minimum height for buffer yards.

Single Family Lot Requirements. Mr. Licht summarized the minimum lot size requirements within the RS-4 and RST-2 districts, as well as how the allowance for a minimum lot size of 7,500

SF by CUP in the RST-2 District came about. Director Goodroad suggested several options for the Planning Commission, including:

- Remove the 100 acre minimum plat area required for the 7,500 SF lot area by CUP
- Change the minimum lot area for single family homes in the RST-2 District from 8,400 SF to 7,500 SF.
- Allow the 7,500 SF lot area by CUP within the RS-4 District.
- If lot sizes are reduced, consider a requirement for curvilinear streets to avoid a 'wall of garage doors' look to a street.

As with garage size and buffer yards, buyers will be aware of smaller lots when they are purchasing a home. The reduced lot size also helps the City meet density levels required by the 2040 Comprehensive Plan. Commissioners added that they preferred allowing the smaller lot size by right rather than by CUP, that increasing the density allowed in the RS-4/RST-2 districts may offset the need for higher densities for multi-family developments. The general consensus was support for a reduced single family lot size within the RST-2 District and to simplify the CUP conditions for the reduced lot size and add it to the RS-4 District.

Base Lot Setbacks. Mr. Licht provided history on the base lot setbacks; that they were intended to mimic single family home setbacks, particularly for those areas near single family developments. As changes to setback requirements have been made over the years, there are some conflicts in what setback applies where. Reducing the base lot setback would provide clarity and consistency. Staff also raised the issue of changing the setback between townhome buildings to 14 feet in all districts. Currently some districts require 20 feet, so reducing to 14 feet again provides consistency and mimics the minimum setback requirements of single-family homes in the RS-4 District, which requires a minimum side yard setback of seven feet, for a minimum total of 14 feet between homes. Planning Commissioners expressed support for these changes.

Exterior Materials. The ordinance has minimum exterior material standards for all townhome units that requires at least 25% stone/brick/stucco on all four sides of the home. The ordinance does permit the side and rear elevations to use at least 60% engineered siding (LP Smartside, Hardie Board, etc.) in lieu of the stone/brick/stucco requirement. There is no minimum standard for the exterior materials of single-family homes, beyond a minimum of vinyl siding. Staff noted that the intent of the stone/brick/stucco requirement was to provide a more durable material at the base of the home as protection from yard maintenance equipment, in addition to aesthetics. Commissioners discussed the benefits of requiring more durable materials on townhomes so as to reduce maintenance costs in the future compared to the lower initial costs of using vinyl siding. Commissioners were open to learning more about exterior material options and generally supportive of removing or reducing the stone/brick/stucco requirement and to look at flexibilities for the side and rear elevations.

Planned Unit Development. The ordinance requires a minimum of 320 acres for a residential PUD of land that is guided for low density development. As more parcels west of Interstate 35 are considered for development, a PUD could be a valuable tool for those parcels which include wetlands, elevation changes, and heavily forested areas. Reducing the minimum acre threshold provides an additional development tool. Commissioners discussed the minimum requirements for a PUD and concurred that reducing the minimum threshold warranted consideration.

Accessory Dwelling Units (ADU). Staff reviewed the ordinance requirements for an ADU, which are currently only allowed within single family homes under certain conditions. The Commissioners discussed permitting ADUs in detached permanent structures in a rear yard, but ultimately did not support this change. The Commissioners indicated were open to considering allowing detached ADUs on a temporary basis, however.

Commissioner Zuzek excused herself from the meeting at 7:05 pm.

Concluding the discussion on possible Zoning Ordnance amendments, Mr. Licht ended the Teams call at 7:15.

2025 Planning Commission meeting calendar

Planning Manager Jenson reviewed the proposed 2025 meeting calendar, noting that the June 19 meeting date must be adjusted due to the Juneteenth holiday. Staff explained the reason behind shifting dates in May, in order to stay aligned with the Parks, Recreation, and Natural Resources Commission meeting dates. Due to the aforementioned Juneteenth holiday and that the first July meeting falls on July 3, meeting dates are proposed to be shifted such that a Planning Commission meeting is planned to occur every three weeks from June 5 to July 17. The remaining dates in 2025 will be unchanged.

The work session adjourned at 7:41 pm.

Respectfully submitted,

Kris Jenson, Planning Manager

Date: 01/27/2025

2025A Bond Issuance -Street Reconstruction & CIP Project

Proposed Action:
Staff recommends adoption of the following motion: No formal action required. Staff is seeking Council direction regarding the issuance of 2025A bonds.

Overview
Staff is presenting the 2025A bond issuance for your consideration. The bonds will provide funding for the following projects:

- #25-02 – 2025 Street Reconstruction Project
- #25-03 – Collector Rehabilitation
- #25-12 - Capital Improvement Project (CIP) – FiRST Responders Skills Training Center

The 2025A bond issuance is estimated to be $23,040,000. It reflects the following:

- The term of the bonds is 20 years:
  - $5,010,000 - Street reconstruction portion = 10 years
  - $18,030,000 – CIP portion = 20 years
- The structure of the 2025A bonds is compliant with the City's Debt Policy such that the total maturity length is equal to or less than 20 years and at least 50% of the principal will be retired within 10 years.

The City's municipal advisor, Northland Securities, has prepared the attached Finance Plan for the 2025A bond issuance. The new franchise fees are intended to cover the CIP debt payments.

Financial Impacts

Based on the current bond estimate, the chart below shows the estimated 2026 debt service levy:

2025 Debt Service Levy		$12,773,050
Levy adjustment for existing debt	(616,635)	
Levy for New 2025A Debt Issue-Street	637,833	
Levy for New 2025A Debt Issue-CIP	1,415,484	
Less Franchise Fee Revenue	(1,415,484)	
Levy for Est 2026A Debt Issue-Street	79,127	
Subtotal		100,325
Estimated 2026 Debt Service Levy		$12,873,375

By combining the 2025A capital improvement project above with the 2025 street reconstruction bonds, the City saves money by limiting costs of bond issuance. The total cost for the FiRST center is estimated to be roughly $25.8M. City will receive $8 million dollars in Federal grant and State contributions combined for the FiRST facility construction. The construction bid opening is set for January 30, 2025.

One-time reductions were made in the 2025 debt service levy due to excess reserves available in the debt service funds. The $100,325 increase in debt service levy represents a 0.76% increase based on the total 2026 property tax levy. The levy for the debt service portion is now 24% of the total levy – with Park bonds being 5.4% of that 24%. The estimate includes levies for the 2025 bond issuance, as well as covering the first estimated interest payment. Staff will be reviewing cash balances in the debt service funds to see if there are opportunities to reduce the 2026 debt service levy. Staff will also be reviewing the 2025A debt structure to determine what changes can be made to moderate the impact on the tax levy.

The 2026 total tax levy will also be impacted by other adjustments to revenues and expenditures, service levels, project funding, etc. Funding from Dakota County is anticipated for several of the projects. Other funding sources (i.e. Park Dedication Funds, Utility Funds, etc.) or project reductions will need to be identified for project costs more than the maximum bonding.

Park Referendum Bonds – the 2026 levy includes the incremental increase of $70K from the 2025 levy. The chart below shows the timelines and bond issuance amounts for the referendum.

Issuance Year/Series	Amount	Projects	First Year of Impact to
2022B	$4,845,000	Hasse Arena multi-use outdoor pavilion	2023
2022C	$13,735,000	Art Center improvements, Park ID sign replacements, basketball court replacements, Antlers Community Park improvements, trails gaps/connectivity design and ROW acquisition; Ritter Farm	2023
2023A	$4,345,000	Trails gaps/connectivity construction; Ritter Farm Park cabin and site improvements construction.	2024
2024A	$15,075,000	Grand Prairie Community Park design and construction; East Community Park design and construction.	2025
	$38,000,000	Maximum Bonding Authorized	

Also attached to this memo is a summary of the tax levies for the four park referendum bond issuances.

Key dates coming up for the 2025A Bonds:

February 18, 2025	➢ Council adopts resolution setting the sale of bonds.
March 17, 2025	➢ Bond Sale – 10:00 a.m. ➢ Council adopts resolution approving the bond sale.
April 16, 2025	➢ Closing on Bonds.

Supporting Information
1. Preliminary Finance Plan – January 21, 2025
2. Park Referendum Debt Levies

Financial Impact: $ 23,040,000 **Budgeted:** Yes **Source:** Various
Envision Lakeville Community Values: Good Value for Public Service
Report Completed by: Julie Stahl, Finance Director

Finance Plan

City of Lakeville, Minnesota

$23,040,000
General Obligation Bonds, Series 2025A

January 27, 2025

150 South 5th Street, Suite 3300
Minneapolis, MN 55402
612-851-5900   800-851-2920
www.northlandsecurities.com
Member FINRA and SIPC | Registered with SEC and MSRB

Contents

Executive Summary

The following is a summary of the recommended terms for the issuance of $23,040,000 General Obligation Bonds, Series 2025A (the "Bonds"). Additional information on the proposed finance plan and issuing process can be found after the Executive Summary, in the Issue Overview and Attachment 3 – Related Considerations.

Purpose	Proceeds from the Bonds will be used to finance the City's 2025 street reconstruction and capital improvement projects, and to finance the costs associated with the issuance of the Bonds.
Security	The Bonds will be a general obligation of the City. The City will pledge ad valorem taxes for payment of the Bonds.
Repayment Term	The Bonds will mature annually each February 1 in the years 2027 through 2046. Interest on the Bonds will be payable on February 1, 2026, and semiannually thereafter on each February 1 and August 1.
Estimated Interest Rate	True interest cost (TIC): 4.18% Interest rates are estimated based on Non-BQ "Aaa" rates as of January 17, 2025, plus 0.25% for planning purposes.
Prepayment Option	Bonds maturing on and after February 1, 2034, will be subject to redemption on February 1, 2033, and any day thereafter at a price of par plus accrued interest.
Rating	A rating will be requested from Moody's Investor Services (Moody's). The City's general obligation debt is currently rated "Aaa" by Moody's.
Tax Status	The Bonds will be tax-exempt, non-bank qualified obligations.
Risk Factors	There are certain risks associated with all debt. Risk factors related to the Bonds are discussed in Attachment 5.
Type of Bond Sale	Public Sale – Competitive Bids
Proposals Received	Monday, March 17, 2025 @ 10:00 A.M.
Council Consideration	Monday, March 17, 2025 @ 6:00 P.M.

Issue Overview

Purpose

Proceeds from the Bonds will be used to finance the following projects (together, the "Projects"):

- the 2025 street reconstruction projects (the "Street Reconstruction Portion"); and
- various capital improvement projects as described in the Capital Improvement Plan approved on September 19, 2024 (the "CIP Portion").

The proceeds will also be used to pay costs associated with issuing the Bonds. The Bonds have been sized based on cost estimates provided by City Staff as of January 17, 2025. The table below contains the estimated sources and uses of funds for the bond issue.

	CIP	Street Reconstruction	Issue Summary
Sources Of Funds			
Par Amount of Bonds	$18,030,000.00	$5,010,000.00	$23,040,000.00
Additional required Equity contribution	572,438.33	-	572,438.33
Total Sources	**$18,602,438.33**	**$5,010,000.00**	**$23,612,438.33**
Uses Of Funds			
Deposit to Project Construction Fund	17,792,608.00	4,802,354.00	22,594,962.00
Deposit to Capitalized Interest (CIF) Fund	572,438.33	140,489.17	712,927.50
Total Underwriter's Discount (0.800%)	144,240.00	40,080.00	184,320.00
Costs of Issuance	90,945.85	25,271.15	116,217.00
Rounding Amount	2,206.15	1,805.68	4,011.83
Total Uses	**$18,602,438.33**	**$5,010,000.00**	**$23,612,438.33**

Authority

The Bonds will be issued pursuant to the authority of Minnesota Statutes, Chapter 475 and Sections 475.58, Subdivision 3b and 475.521.

Street Reconstruction Portion

Under Section 475.58, Subdivision 3b., street reconstruction bonds can be used to finance the reconstruction and bituminous overlay of existing city streets. Eligible improvements may include turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads and the local share of state and county road projects. Eligible improvements do not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

Before issuing street reconstruction bonds, the City must hold a public hearing on the street reconstruction project and the proposed bonds, and then must pass a resolution approving the Street Reconstruction Plan and issuance of street reconstruction bonds. The City held the required public hearing and approved the Street Reconstruction Plan on October 7, 2024.

CIP Portion

Under Section 475.521, a capital improvement is a major expenditure of City funds for the acquisition or betterment of public lands, buildings, or other improvements used, such as a city hall, library, public safety, or public works facility, which has a useful life of five years or more.

The maximum amount of principal and interest for capital improvement bonds cannot exceed 0.16% of the estimated market value of taxable property in the City. The City's 2025 preliminary estimated market value is $13,230,293,700 ($13,230,293,700 x 0.0016 = $21,168,470). The maximum amount of principal and interest due in a calendar year on the Bonds plus the City's outstanding CIP Bonds is estimated to be approximately $3,495,176, which is less than $21,168,470.

Before issuing bonds under a Capital Improvement Plan ("CIP"), the City must hold a public hearing on the CIP and the proposed bonds and must then approve the CIP and authorize the issuance of the bonds by at least a 3/5 majority. The City held the required public hearing and approved the CIP on September 19, 2024.

If a petition signed by voters equal to at least 5 percent of the votes cast in the last general election requesting a vote on the issuance of bonds is received by the clerk within 30 days after the public hearing, then the bonds may not be issued unless approved by the voters at an election. The 30-day period expired on October 19, 2024.

Structure

The Street Reconstruction Portion of the Bonds has been structured to result in relatively level annual debt service payments over 10 years. The CIP Portion has been structured to result in relatively level annual debt service payments over 20 years.

The proposed structure for the bond issue and preliminary debt service projections for each portion of the bond issue are illustrated in Attachment 1 and the estimated levies are illustrated in Attachment 2.

Security and Source of Repayment

The Bonds will be general obligations of the City. The finance plan relies on the following assumptions for the revenues used to pay debt service, as provided by City staff:

- <u>Property Taxes</u>. The revenues needed to pay debt service on the Bonds are expected to come from property tax levies. The initial projections show that for the Street Reconstruction Portion of the Bonds, an annual net levy of approximately $636,393, is needed to meet the 105% statutory requirement. The initial projections show that for the CIP Portion of the bonds, an annual levy of approximately $1,415,844, is needed to meet the 105% statutory requirement. The City anticipates using revenues from franchise fees to eliminate the CIP levy. The levies may be adjusted annually based on actual monies in the debt service funds. The initial levies will be made in 2025 for taxes payable in 2026.

  Given the timing of the initial revenue from the tax levy, capitalized interest will be included in the bond issue to cover the first interest payment due on February 1, 2026, before the first tax collections are received for the Street Reconstruction Portion. A cash contribution of approximately $572,438 will be used to cover the first interest payment due on February 1, 2026 for the CIP portion.

Plan Rationale

The Finance Plan recommended in this report is based on a variety of factors and information provided by the City related to the financed project and City objectives, Northland's knowledge of the City and our experience in working with similar cities and projects. The issuance of General Obligation Bonds provides the best means of achieving the City's objectives and cost-effective financing. The City has successfully issued and managed this type of debt for previous projects.

Issuing Process

Northland will receive bids from underwriters to purchase the Bonds on Monday, March 17, 2025, at 10:00 A.M. Market conditions and the marketability of the Bonds support issuance through a competitive sale. This process has been chosen as it is intended to produce the lowest combination of interest expense and underwriting expense on the structure, date and time set to receive bids. The calendar of events for the issuing process can be found in Attachment 4.

Municipal Advisor: Northland Securities, Inc., Minneapolis, Minnesota
Bond Counsel: Dorsey & Whitney LLP, Minneapolis, Minnesota
Paying Agent: US Bank Trust Company, National Association, St. Paul, Minnesota

Attachment 1 – Preliminary Debt Service Schedules

Total Combined

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/16/2025	-	-	-	-	-
02/01/2026	-	-	712,927.50	712,927.50	712,927.50
08/01/2026	-	-	450,270.00	450,270.00	-
02/01/2027	1,055,000.00	3.300%	450,270.00	1,505,270.00	1,955,540.00
08/01/2027	-	-	432,862.50	432,862.50	-
02/01/2028	1,090,000.00	3.350%	432,862.50	1,522,862.50	1,955,725.00
08/01/2028	-	-	414,605.00	414,605.00	-
02/01/2029	1,125,000.00	3.400%	414,605.00	1,539,605.00	1,954,210.00
08/01/2029	-	-	395,480.00	395,480.00	-
02/01/2030	1,165,000.00	3.400%	395,480.00	1,560,480.00	1,955,960.00
08/01/2030	-	-	375,675.00	375,675.00	-
02/01/2031	1,205,000.00	3.450%	375,675.00	1,580,675.00	1,956,350.00
08/01/2031	-	-	354,888.75	354,888.75	-
02/01/2032	1,245,000.00	3.500%	354,888.75	1,599,888.75	1,954,777.50
08/01/2032	-	-	333,101.25	333,101.25	-
02/01/2033	1,290,000.00	3.550%	333,101.25	1,623,101.25	1,956,202.50
08/01/2033	-	-	310,203.75	310,203.75	-
02/01/2034	1,330,000.00	3.650%	310,203.75	1,640,203.75	1,950,407.50
08/01/2034	-	-	285,931.25	285,931.25	-
02/01/2035	1,380,000.00	3.750%	285,931.25	1,665,931.25	1,951,862.50
08/01/2035	-	-	260,056.25	260,056.25	-
02/01/2036	1,435,000.00	3.900%	260,056.25	1,695,056.25	1,955,112.50
08/01/2036	-	-	232,073.75	232,073.75	-
02/01/2037	885,000.00	4.000%	232,073.75	1,117,073.75	1,349,147.50
08/01/2037	-	-	214,373.75	214,373.75	-
02/01/2038	920,000.00	4.100%	214,373.75	1,134,373.75	1,348,747.50
08/01/2038	-	-	195,513.75	195,513.75	-
02/01/2039	955,000.00	4.200%	195,513.75	1,150,513.75	1,346,027.50
08/01/2039	-	-	175,458.75	175,458.75	-
02/01/2040	1,000,000.00	4.250%	175,458.75	1,175,458.75	1,350,917.50
08/01/2040	-	-	154,208.75	154,208.75	-
02/01/2041	1,040,000.00	4.300%	154,208.75	1,194,208.75	1,348,417.50
08/01/2041	-	-	131,848.75	131,848.75	-
02/01/2042	1,085,000.00	4.350%	131,848.75	1,216,848.75	1,348,697.50
08/01/2042	-	-	108,250.00	108,250.00	-
02/01/2043	1,130,000.00	4.400%	108,250.00	1,238,250.00	1,346,500.00
08/01/2043	-	-	83,390.00	83,390.00	-
02/01/2044	1,180,000.00	4.450%	83,390.00	1,263,390.00	1,346,780.00
08/01/2044	-	-	57,135.00	57,135.00	-
02/01/2045	1,235,000.00	4.500%	57,135.00	1,292,135.00	1,349,270.00
08/01/2045	-	-	29,347.50	29,347.50	-
02/01/2046	1,290,000.00	4.550%	29,347.50	1,319,347.50	1,348,695.00
Total	**$23,040,000.00**	**-**	**$10,702,275.00**	**$33,742,275.00**	**-**

Yield Statistics

Bond Year Dollars	$259,310.00
Average Life	11.255 Years
Average Coupon	4.1272126%
Net Interest Cost (NIC)	4.1982935%
True Interest Cost (TIC)	4.1824382%
Bond Yield for Arbitrage Purposes	4.0888486%
All Inclusive Cost (AIC)	4.2420176%

IRS Form 8038

Net Interest Cost	4.1272126%
Weighted Average Maturity	11.255 Years

Optional Redemption

02/01/2033	@100.000%

*Based on preliminary, Non-Bank Qualified “Aaa” rates as of January 17, 2025, plus 0.25%.

Street Reconstruction Portion

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/16/2025	-	-	-	-	-
02/01/2026	-	-	140,489.17	140,489.17	140,489.17
08/01/2026	-	-	88,730.00	88,730.00	-
02/01/2027	430,000.00	3.300%	88,730.00	518,730.00	607,460.00
08/01/2027	-	-	81,635.00	81,635.00	-
02/01/2028	445,000.00	3.350%	81,635.00	526,635.00	608,270.00
08/01/2028	-	-	74,181.25	74,181.25	-
02/01/2029	455,000.00	3.400%	74,181.25	529,181.25	603,362.50
08/01/2029	-	-	66,446.25	66,446.25	-
02/01/2030	475,000.00	3.400%	66,446.25	541,446.25	607,892.50
08/01/2030	-	-	58,371.25	58,371.25	-
02/01/2031	490,000.00	3.450%	58,371.25	548,371.25	606,742.50
08/01/2031	-	-	49,918.75	49,918.75	-
02/01/2032	505,000.00	3.500%	49,918.75	554,918.75	604,837.50
08/01/2032	-	-	41,081.25	41,081.25	-
02/01/2033	525,000.00	3.550%	41,081.25	566,081.25	607,162.50
08/01/2033	-	-	31,762.50	31,762.50	-
02/01/2034	540,000.00	3.650%	31,762.50	571,762.50	603,525.00
08/01/2034	-	-	21,907.50	21,907.50	-
02/01/2035	560,000.00	3.750%	21,907.50	581,907.50	603,815.00
08/01/2035	-	-	11,407.50	11,407.50	-
02/01/2036	585,000.00	3.900%	11,407.50	596,407.50	607,815.00
Total	**$5,010,000.00**	**-**	**$1,191,371.67**	**$6,201,371.67**	**-**

CIP Portion

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/16/2025	-	-	-	-	-
02/01/2026	-	-	572,438.33	572,438.33	572,438.33
08/01/2026	-	-	361,540.00	361,540.00	-
02/01/2027	625,000.00	3.300%	361,540.00	986,540.00	1,348,080.00
08/01/2027	-	-	351,227.50	351,227.50	-
02/01/2028	645,000.00	3.350%	351,227.50	996,227.50	1,347,455.00
08/01/2028	-	-	340,423.75	340,423.75	-
02/01/2029	670,000.00	3.400%	340,423.75	1,010,423.75	1,350,847.50
08/01/2029	-	-	329,033.75	329,033.75	-
02/01/2030	690,000.00	3.400%	329,033.75	1,019,033.75	1,348,067.50
08/01/2030	-	-	317,303.75	317,303.75	-
02/01/2031	715,000.00	3.450%	317,303.75	1,032,303.75	1,349,607.50
08/01/2031	-	-	304,970.00	304,970.00	-
02/01/2032	740,000.00	3.500%	304,970.00	1,044,970.00	1,349,940.00
08/01/2032	-	-	292,020.00	292,020.00	-
02/01/2033	765,000.00	3.550%	292,020.00	1,057,020.00	1,349,040.00
08/01/2033	-	-	278,441.25	278,441.25	-
02/01/2034	790,000.00	3.650%	278,441.25	1,068,441.25	1,346,882.50
08/01/2034	-	-	264,023.75	264,023.75	-
02/01/2035	820,000.00	3.750%	264,023.75	1,084,023.75	1,348,047.50
08/01/2035	-	-	248,648.75	248,648.75	-
02/01/2036	850,000.00	3.900%	248,648.75	1,098,648.75	1,347,297.50
08/01/2036	-	-	232,073.75	232,073.75	-
02/01/2037	885,000.00	4.000%	232,073.75	1,117,073.75	1,349,147.50
08/01/2037	-	-	214,373.75	214,373.75	-
02/01/2038	920,000.00	4.100%	214,373.75	1,134,373.75	1,348,747.50
08/01/2038	-	-	195,513.75	195,513.75	-
02/01/2039	955,000.00	4.200%	195,513.75	1,150,513.75	1,346,027.50
08/01/2039	-	-	175,458.75	175,458.75	-
02/01/2040	1,000,000.00	4.250%	175,458.75	1,175,458.75	1,350,917.50
08/01/2040	-	-	154,208.75	154,208.75	-
02/01/2041	1,040,000.00	4.300%	154,208.75	1,194,208.75	1,348,417.50
08/01/2041	-	-	131,848.75	131,848.75	-
02/01/2042	1,085,000.00	4.350%	131,848.75	1,216,848.75	1,348,697.50
08/01/2042	-	-	108,250.00	108,250.00	-
02/01/2043	1,130,000.00	4.400%	108,250.00	1,238,250.00	1,346,500.00
08/01/2043	-	-	83,390.00	83,390.00	-
02/01/2044	1,180,000.00	4.450%	83,390.00	1,263,390.00	1,346,780.00
08/01/2044	-	-	57,135.00	57,135.00	-
02/01/2045	1,235,000.00	4.500%	57,135.00	1,292,135.00	1,349,270.00
08/01/2045	-	-	29,347.50	29,347.50	-
02/01/2046	1,290,000.00	4.550%	29,347.50	1,319,347.50	1,348,695.00
Total	**$18,030,000.00**	**-**	**$9,510,903.33**	**$27,540,903.33**	**-**

Attachment 2 – Estimated Levy Schedules

Street Reconstruction Portion

Date	Total P+I	CIF	105% Levy	Levy Year	Collection Year
02/01/2026	140,489.17	(140,489.17)	-		
02/01/2027	607,460.00	-	637,833.00	2025	2026
02/01/2028	608,270.00	-	638,683.50	2026	2027
02/01/2029	603,362.50	-	633,530.63	2027	2028
02/01/2030	607,892.50	-	638,287.13	2028	2029
02/01/2031	606,742.50	-	637,079.63	2029	2030
02/01/2032	604,837.50	-	635,079.38	2030	2031
02/01/2033	607,162.50	-	637,520.63	2031	2032
02/01/2034	603,525.00	-	633,701.25	2032	2033
02/01/2035	603,815.00	-	634,005.75	2033	2034
02/01/2036	607,815.00	-	638,205.75	2034	2035
Total	**$6,201,371.67**	**(140,489.17)**	**$6,363,926.63**		

CIP Portion

Date	Total P+I	CIF	105% Levy	Less: Franchise Fee Revenue*	Net Levy	Levy Year	Collection Year
02/01/2026	572,438.33	(572,438.33)	-	-	-		
02/01/2027	1,348,080.00	-	1,415,484.00	1,415,484.00	-	2025	2026
02/01/2028	1,347,455.00	-	1,414,827.75	1,414,827.75	-	2026	2027
02/01/2029	1,350,847.50	-	1,418,389.88	1,418,389.88	-	2027	2028
02/01/2030	1,348,067.50	-	1,415,470.88	1,415,470.88	-	2028	2029
02/01/2031	1,349,607.50	-	1,417,087.88	1,417,087.88	-	2029	2030
02/01/2032	1,349,940.00	-	1,417,437.00	1,417,437.00	-	2030	2031
02/01/2033	1,349,040.00	-	1,416,492.00	1,416,492.00	-	2031	2032
02/01/2034	1,346,882.50	-	1,414,226.63	1,414,226.63	-	2032	2033
02/01/2035	1,348,047.50	-	1,415,449.88	1,415,449.88	-	2033	2034
02/01/2036	1,347,297.50	-	1,414,662.38	1,414,662.38	-	2034	2035
02/01/2037	1,349,147.50	-	1,416,604.88	1,416,604.88	-	2035	2036
02/01/2038	1,348,747.50	-	1,416,184.88	1,416,184.88	-	2036	2037
02/01/2039	1,346,027.50	-	1,413,328.88	1,413,328.88	-	2037	2038
02/01/2040	1,350,917.50	-	1,418,463.38	1,418,463.38	-	2038	2039
02/01/2041	1,348,417.50	-	1,415,838.38	1,415,838.38	-	2039	2040
02/01/2042	1,348,697.50	-	1,416,132.38	1,416,132.38	-	2040	2041
02/01/2043	1,346,500.00	-	1,413,825.00	1,413,825.00	-	2041	2042
02/01/2044	1,346,780.00	-	1,414,119.00	1,414,119.00	-	2042	2043
02/01/2045	1,349,270.00	-	1,416,733.50	1,416,733.50	-	2043	2044
02/01/2046	1,348,695.00	-	1,416,129.75	1,416,129.75	-	2044	2045
Total	**$27,540,903.33**	**(572,438.33)**	**$28,316,888.25**	**$28,316,888.25**	-		

*The City anticipates using revenues from franchise fees to eliminate the levy.

Attachment 3 – Related Considerations

Not Bank Qualified

The par amount of the Bonds is greater than $10,000,000; therefore, the Bonds will not be designated as "bank qualified" obligations pursuant to Federal Tax Law.

Arbitrage Compliance

Project/Construction Fund. All tax-exempt bond issues are subject to federal rebate requirements which require all arbitrage earned to be rebated to the U.S. Treasury. The rebate exemption the City expects to qualify for is the "24-month exception."

Debt Service Fund. The City must maintain a bona fide debt service fund for the Bonds or be subject to yield restriction in the debt service fund. A bona fide debt service fund involves an equal matching of revenues to debt service expense with a balance forward permitted equal to the greater of the investment earnings in the fund during that year or 1/12 of the debt service of that year.

The City should become familiar with the various Arbitrage Compliance requirements for this bond issue. The Resolution for the Bonds prepared by Bond Counsel explains the requirements in greater detail.

Continuing Disclosure

Type: Full
Dissemination Agent: Northland Securities, Inc.

The requirements for continuing disclosure are governed by SEC Rule 15c2-12. The primary requirements of Rule 15c2-12 actually fall on underwriters. The Rule sets forth due diligence needed prior to the underwriter's purchase of municipal securities. Part of this requirement is obtaining commitment from the issuer to provide continuing disclosure. The document describing the continuing disclosure commitments (the "Undertaking") is contained in the Official Statement that will be prepared to offer the Bonds to investors.

The City has more than $10,000,000 of outstanding debt and is required to undertake "full" continuing disclosure. Full disclosure requires annual posting of the audit and a separate continuing disclosure report, as well as the reporting of certain "material events." Material events set forth in the Rule, including, but not limited to, bond rating changes, call notices, and issuance of "financial obligations" (such as USDA loans, Public Finance Authority loans and lease agreements) must be reported within ten days of occurrence. The report contains annual financial information and operating data that "mirrors" material information presented in the Official Statement. The specific contents of the annual report will be described in the Undertaking that appears in the appendix of the Official Statement. Northland currently serves as dissemination agent for the City, assisting with the annual reporting. The information for the Bonds will be incorporated into our reporting.

Premiums

In the current market environment, it is likely that bids received from underwriters will include premiums. A premium bid occurs when the purchaser pays the City an amount in excess of the par amount of a maturity in exchange for a higher coupon (interest rate). The use of premiums reflects the bidder's view on future market conditions, tax considerations for investors and other factors. Ultimately, the true interest cost ("TIC") calculation will determine the lowest bid, regardless of premium.

A premium bid produces additional funds that can be used in several ways:

- The premium means that the City needs less bond proceeds and can reduce the size of the issue by the amount of the premium.
- The premium can be deposited in the Construction Fund and used to pay additional project costs, rather than used to reduce the size of the issue.
- The premium can be deposited in the Debt Service Fund and used to pay principal and interest.

Northland will work with City staff prior to the sale day to determine use of premium (if any).

Rating

A rating will be requested from Moody's Investor Services (Moody's). The City's general obligation debt is currently rated "Aaa" by Moody's. The rating process will include a conference call with the rating analyst. Northland will assist City staff in preparing for and conducting the rating call.

Attachment 4 – Calendar of Events

The following checklist of items denotes each milestone activity as well as the members of the finance team who will have the responsibility to complete it. *Please note this proposed timetable assumes regularly scheduled City Council meetings.*

January 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Holiday

Date	Action	Responsible Party
January 6, 2025	General Information Certificate sent to City for updates	Northland
January 16, 2025	City provides project costs to be included in Finance Plan no later than noon	City Staff
January 21, 2025	Finance Plan sent to City for meeting packet for January 27 Workshop Meeting	Northland
January 22, 2025	General Information Certificate returned to Northland	**City Staff**
January 27, 2025	City Council Workshop to review proposed issuance of 2024A Bonds – 6:00 pm	**City Council Review**
February 3, 2025	Preliminary Official Statement sent to City for sign off, sent to Rating Agency to initiate rating processes, and sent to Dorsey & Whitney for review	Northland
Week of February 10	Meeting to prepare for rating call	City Staff, Northland
Week of February 17 or February 24, 2025	Rating call with Moody's	City Staff, Northland, Rating Agency
February 18, 2025	City adopts Set Sale Resolution – 6:00 p.m.	**City Council Action**, Northland, Dorsey & Whitney

Date	Action	Responsible Party
February 19, 2025	City comments and sign off on Preliminary Official Statement due to Northland City confirms final project costs to be financed	City Staff
March 3, 2025	Rating Received no later than this date	City Staff, Northland, Rating Agency
March 5, 2025	Distribution of Preliminary Official Statement	Northland
March 10, 2025	Authorizing Resolution sent to City	Dorsey & Whitney, Northland
March 17, 2025	Bond Sale – 10:00 a.m. Bond Purchase Agreement Signed - 6:00 p.m. Authorizing Resolution Adopted	**City Council Action,** Northland, Dorsey & Whitney
March 26, 2025	Closing Documents Distributed	Dorsey & Whitney
April 16, 2025	Closing on the Bonds (Proceeds Available)	Northland, City Staff, Dorsey & Whitney

Attachment 5 - Risk Factors

Property Taxes: Property tax levies shown in this Finance Plan are based on projected debt service and other revenues. Final levies will be set based on the results of sale. Levies should be reviewed annually and adjusted as needed. The debt service levy must be included in the preliminary levy for annual Truth in Taxation hearings. Future Legislative changes in the property tax system, including the imposition of levy limits and changes in calculation of property values, would affect plans for payment of debt service. Delinquent payment of property taxes would reduce revenues available to pay debt service.

General: In addition to the risks described above, there are certain general risks associated with the issuance of bonds. These risks include, but are not limited to:

- Failure to comply with covenants in bond resolution.
- Failure to comply with Undertaking for continuing disclosure.
- Failure to comply with IRS regulations, including regulations related to use of the proceeds and arbitrage/rebate. The IRS regulations govern the ability of the City to issue its bonds as tax-exempt securities and failure to comply with the IRS regulations may lead to loss of tax-exemption.

CITY OF LAKEVILLE
PARK REFERENDUM - DEBT SERVICE TAX LEVIES

Tax Collection Year	2022B Hasse Outdoor Rink $4,845,000	2022C Park Ref Projects $13,735,000	2023A Park Ref Projects $4,345,000	2024A Park Ref Projects $15,075,000	Park Refer TOTALS $38,000,000
2023	340,927	600,000	-	-	940,927
2024	337,344	1,104,042	339,990	-	1,781,376
2025	338,601	1,105,880	343,403	1,188,856	2,976,740
2026	339,651	1,106,405	341,040	1,185,181	2,972,277
2027	340,489	1,105,617	343,665	1,185,706	2,975,477
2028	340,998	1,103,517	340,515	1,190,168	2,975,198
2029	341,282	1,105,355	342,353	1,187,806	2,976,795
2030	336,084	1,105,617	338,415	1,189,381	2,969,497
2031	341,271	1,104,305	339,465	1,189,381	2,974,422
2032	340,725	1,101,417	339,990	1,187,806	2,969,938
2033	339,806	1,102,205	339,990	1,189,906	2,971,907
2034	338,378	1,103,465	341,670	1,190,168	2,973,681
2035	336,554	1,103,465	342,930	1,188,593	2,971,542
2036	339,573	1,102,205	343,770	1,187,963	2,973,510
2037	336,769	1,102,874	338,940	1,186,073	2,964,656
2038	338,783	1,102,402	339,150	1,188,173	2,968,507
2039	340,331	1,104,895	338,940	1,188,803	2,972,970
2040	336,005	1,106,011	343,560	1,187,963	2,973,539
2041	336,457	1,104,515	342,300	1,186,874	2,970,145
2042	336,404	1,101,594	340,620	1,188,344	2,966,963
2043	-	-	338,520	1,188,134	1,526,654
2044	-	-	-	1,186,244	1,186,244
TOTALS	**6,776,432**	**21,575,785**	**6,819,225**	**23,761,523**	**58,932,965**