

**CITY OF LAKEVILLE  
ECONOMIC DEVELOPMENT COMMISSION  
MEETING MINUTES  
February 23, 2016**

1. Vice Chair Longie called the meeting to order at 4:30 p.m. in the Marion Conference Room at City Hall.

**Members Present:** Comms. Longie, Collman, Matasosky, Scherer, Vlasak, Rajavouri, Gillen

ex-officio members: City Administrator Miller.

**Members Absent:** Comms. Emond, Starfield, Smith

ex-officio members: Chamber President Roche, Mayor Little

**Others Present:** David Olson, Community & Economic Development Director; Rick Howden, Economic Development Specialist.

2. **Approval of January 26, 2016 meeting minutes**

**Comms. Matasosky/Scherer** moved to approve the minutes of the January 26, 2016 meeting as presented. **Motion carried unanimously.**

3. **Review of Post / MOM Brands Tax Abatement and DEED Minnesota Investment Fund Loan Agreements**

Mr. Olson explained that City and State of Minnesota staff have been working with Post Consumer Brands / MOM Brands staff for a number of months to finalize the agreements for the proposed State funded and City funded incentives that were offered last year to retain the Post Cereal Division Headquarters in Lakeville.

The Minnesota Department of Employment and Economic Development (DEED) has awarded the City of Lakeville with a grant in the amount of \$750,000 to assist with the retention of employees at MOM Brands Company, LLC, a subsidiary of Post Holdings Inc. Assistance from DEED's Minnesota Investment Fund (MIF) will be provided to MOM Brands in the form of a forgivable loan from the City.

The City, DEED and MOM Brands have discussed and reached agreement on the language for the documents requiring approval before assistance will be obtained. The documents include a Grant Contract between DEED and the City and a Loan Agreement between the City and MOM Brands. Additionally, MOM Brands will submit a Promissory Note and Corporate Guaranty.

The terms of the agreement include job and wage goals which are: retention of 250 jobs paying a minimum hourly wage of \$18.48 excluding benefits for a period of two years. If the job and wage goals are met by May 4, 2017, the loan will be forgiven. If the job and wage goals are not met by that date, the company will be required to repay a pro rata

share of the loan plus interest at a rate of 3.25%. In addition to the job and wage goals, MOM Brands Company, LLC agrees to continue operations in the City of Lakeville through May 4, 2020.

In addition to the DEED's proposed job retention incentive, the City proposed an incentive of \$375,000 to be provided through Tax Abatement. The terms of the City's incentive are similar to DEED's incentive. The City's Tax Abatement Agreement proposes to provide the \$375,000 job retention after the 250 jobs have been retained by Post for one year which will be May 4, 2016. Similar to the DEED requirements, the 250 jobs have to be retained a minimum of two years and the Post / MOM Brands has to continue their operations in Lakeville for a minimum of five years or until 2020.

The properties owned by Post / MOM Brands are scheduled to be in a Tax Increment Financing (TIF) District until December 31, 2022 unless the City elects to de-certify the TIF District earlier. Staff is recommending an interfund loan of \$375,000 from the City's General Fund. When this project was initially discussed last year, it was suggested that the Liquor Fund be used for the interfund loan. However since then the planning of the construction of a fourth liquor store near Keokuk Avenue and Co. Rd. 70 has advanced and it is recommended that the current balance of the Liquor Fund be retained for that purpose.

Because the Tax Abatement funds will start to be generated for 7 years, it is recommended that interest accrue during this period. At their work session last evening, the City Council decided on a 3.5% interest rate.

**Comms. Matasosky/Collman** moved to recommend approval of the DEED Minnesota Investment Fund Loan Agreement and the Tax Abatement Agreement to the City Council. **Motion carried unanimously.**

#### **4. Review of County Road 50 and County Road 5 Improvement Projects**

Mr. Olson provided a verbal update on the County Road 50 and County Road 5 Improvement Projects which will be impacting existing commercial areas.

#### **5. Director's Report**

Mr. Olson reviewed the Director's Report.

If you have not already, please RSVP for the annual Board and Commission Appreciation Event at 6:00 p.m. at the Lakeville Area Art Center on Tuesday, March 15<sup>th</sup>.

The City was approached by the Metropolitan Airports Commission (MAC) about the possible annexation of the Airport several months ago. The City Council authorized staff to explore this issue further with Township and MAC officials. The one article summarizes the Eureka Township discussion that took place at their February 8<sup>th</sup> meeting.

The Planning Commission will be considering several zoning ordinance amendments at a public hearing on March 3<sup>rd</sup>. Included in these amendments is a change that would reduce the rate of change for messages from 60 seconds to 30 seconds for electronic message board signs, and a change to the sign ordinance for businesses close to the I-35 corridor that would allow wall signs on building elevations that face the freeway. This

change would allow the Candlewood Suites hotel currently under construction to have wall signage facing I-35 whereas the current ordinance does not.

Staff continues to receive inquiries from private developers interested in a variety of types of multi-family apartment developments. The types of projects range from market rate, to affordable senior apartments, to affordable workforce apartment development. Some of these proposed projects would require changes to current zoning ordinance requirements or zoning designations. In addition, several developers are inquiring about options for housing tax credits and/or tax increment financing to make their projects affordable. These issues may result in the need for a joint meeting of the EDC, Planning Commission and City Council in the next few months.

Tim Roche and the Lakeville Area Chamber of Commerce have facilitated several meetings with Metro Transit, Dakota County and a number of the larger businesses in the Industrial Park to discuss the possibility of providing a shuttle van or small bus to transport workers from the Apple Valley Transit Station to the Industrial Park. Staff will provide updates on this possible service as the discussions progress.

## **6. Adjourn**

Meeting adjourned at 6:12 p.m.

**Respectfully submitted by**

Rick Howden, Economic Development Specialist