

ECONOMIC DEVELOPMENT AUTHORITY
City of Apple Valley
Dakota County, Minnesota
September 22, 2016

Minutes of the special meeting of the Economic Development Authority of Apple Valley, Dakota County, Minnesota, held September 22, 2016, at 6:00 p.m., at Apple Valley Municipal Center.

PRESENT: Commissioners Bergman, Goodwin, Hamann-Roland, Hooppaw and Melander

ABSENT: Commissioners Grendahl and Maguire

City staff members present were: Executive Director Tom Lawell, Attorney Michael Dougherty, Community Development Director Bruce Nordquist, Finance Director Ron Hedberg, Planner Kathy Bodmer, Planner/Economic Development Specialist Alex Sharpe, and Department Assistant Joan Murphy

Meeting was called to order at 6:01 p.m. by President Goodwin.

APPROVAL OF AGENDA

MOTION: of Hooppaw, seconded by Hamann-Roland, approving the agenda. Ayes - 5 - Nays - 0.

APPROVAL OF MINUTES

MOTION: of Bergman, seconded by Melander, approving the minutes of the meeting of July 28, 2016, as written. Ayes - 5 - Nays - 0.

CONSENT AGENDA

None

PARKSIDE VILLAGE GABELLA

Finance Director Ron Hedberg stated that on July 10, 2014, the Apple Valley Economic Development Authority (EDA) entered into a Development Assistance Agreement and Business Subsidy Agreement with IMH Special Asset NT 175-AVN, LLC (IMH) to provide financial support in the amount of up to \$2,684,000 for substantial site improvements involved in the construction of the Parkside Gabella Apartments.

On January 28, 2016, the EDA certified the benefit date and acknowledged IMH Special Asset NT 175 -AVN, LLC had met the construction job creation goals. As of March 2015, the project created 159 construction jobs with an average of \$30 per hour plus, the value of benefits provided.

The Business Subsidy Agreement provided for the refund of penalties and interest that had accrued on delinquent special assessment amounts up to 2012. The total amount of penalties and

interest on delinquent special assessments that had accrued through 2012 and would be potentially refunded totals \$1,132,000. The City receives these penalties and interest from Dakota County as IMH makes the annual payments on the Confession of Judgement payments.

The development assistance agreement offsets the costs of constructing the Parkside Gabella Apartment project. The construction of Parkside Gabella is complete and the final certificate of occupancy was issued on May 31, 2016.

The next key target date included in the Business Subsidy Agreement for the Parkside IMH projects is for the developer to submit for and have issued, the building permit for phase II, the Galante building by April 30, 2017. The building plans have been submitted and are in the review process for this second phase.

Discussion followed.

MOTION: of Hooppaw, seconded by Hamann-Roland, adopting **Resolution No. EDA 2016-06** authorizing the execution of Tax Increment Revenue Note (Parkside – Gabella Project). Ayes - 5 - Nays – 0.

MOTION: of Bergman, seconded by Hooppaw, adopting **Resolution No. EDA 2016-07** partially forgiving repayment of business subsidy. Ayes - 5 - Nays – 0.

MOTION: of Hooppaw, seconded by Bergman, authorizing First Amendment to Business Subsidy Agreement. Ayes - 5 - Nays – 0.

2017 EDA BUDGET

Finance Director Ron Hedberg stated that the proposed 2017 budget, approved by the City Council in the preliminary budget, includes the Economic Development Operations Fund. The items included in the proposed budget are the anticipated activities. If the need arises to address development opportunities, Business Retention, Expansion and Attraction (BREA) activities, further action would be requested to address the need.

He reviewed the activity areas in 2017 and the projected 2017 year end fund balance is \$103,780.

MOTION: of Hamann-Roland, seconded by Melander, adopting **Resolution No. EDA 2016-08** approving the 2017 EDA Budget. Ayes - 5 - Nays – 0.

ADJOURNMENT

MOTION: of Hooppaw, seconded by Bergman, to adjourn. Ayes - 5 - Nays - 0.

The meeting was adjourned at 6:34 p.m.

