

ECONOMIC DEVELOPMENT AUTHORITY
City of Apple Valley
Dakota County, Minnesota
September 13, 2010

Minutes of the special meeting of the Economic Development Authority of Apple Valley, Dakota County, Minnesota, held September 13, 2010, at 6:00 o'clock p.m., at the Apple Valley Municipal Center.

PRESENT: President Severson; Commissioners Bergman, Goodwin, Hamann-Roland, and LaComb.

ABSENT: Commissioner Grendahl.

Staff members present were: Executive Director Lawell, Secretary Gackstetter, Associate City Planner Dykes, Finance Director Hedberg, City Planner Lovelace, and Community Development Director Nordquist.

President Severson called the meeting to order at 6:00 p.m.

APPROVAL OF AGENDA

MOTION: of Bergman, seconded by Hamann-Roland, approving the agenda for today's meeting as presented. Ayes - 5, Nays - 0.

MINUTES

MOTION: of Hamann-Roland, seconded by LaComb, approving the minutes of the special meeting of February 25, 2010, as written. Ayes - 5, Nays - 0.

TAX INCREMENT FINANCING (TIF) DEVELOPMENT DISTRICTS

Mr. Steve Mattson, of Northland Securities, provided the Board an update on Mr. Asleson's health. He then introduced Mr. Rusty Fifield.

Mr. Fifield, of Northland Securities, reviewed the PowerPoint presentation entitled Strategic TIF Planning. He stated the City currently has three existing Tax Increment Financing (TIF) Districts: #1, #7, and #13, and each district has a different capacity for future use. He told when each of the districts were established, when they are scheduled for decertification, and reviewed key limitations. He reviewed 2010 Legislative changes that allow for expansion of pooling and a broadened use of economic development TIF districts.

Mr. Nordquist described 14 potential projects which may benefit from the flexible resources or a new TIF district available under the new legislative rules. He asked the Board to prioritize the

projects listed and add any others it deemed appropriate. The Board discussed possible rankings of the projects.

Commissioner Bergman stated he does not want to see TIF dollars used for rental housing associated with Founders Circle.

Commissioner Hamann-Roland asked if it was possible that a “for sale” product would be built at Founders Circle.

Mr. Nordquist indicated he believed it would be unlikely in this market for another three to five years. He talked about possibilities associated with the Nichols/Pint proposal. He noted the assessments on the property are very high.

Commissioner Hamann-Roland asked if the Nichols/Pint proposal includes subsidized housing.

Mr. Nordquist stated that is not what is being proposed. It is 100 percent market rate rental.

President Severson asked the amount still owed on Fischer Market Place.

Mr. Hedberg indicated the amount is in the neighborhood of \$220,000.00.

The Board continued to ask questions about the various projects on the list and staff provided further clarification.

Commissioner Goodwin stated he believes the first three items on the list are a priority. He further stated there may be reasons to prioritize number four as well. He is also very interested in the 147th Street construction.

Commissioner LaComb asked if staff could estimate the costs associated with the projects listed.

Mr. Hedberg said the City’s share of Cedar Avenue is estimated at \$3.2 million. He also provided rough estimates for items two and three, but stated the costs associated with the other projects have not yet been determined.

Commissioners Bergman and Goodwin indicated a willingness to be more aggressive in using TIF funding now than they were when the economy was good.

The Board continued to discuss the ranking of the projects and possible funding.

Commissioner Bergman indicated projects one through three, possibly four, and eight and nine were his highest priorities.

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Commissioner Goodwin felt the old Apple Valley Transit Station, redevelopment of Hanson Concrete property, and the Fischer property north of Menards should be on the bottom of the list.

Commissioner LaComb indicated she agreed with Commissioner Bergman's list. She feels number four is symbolic and believes it is important for development to happen in Founders Circle.

Mr. Fifield said the City has approximately \$11 million available through 2014. However, with the Cedar Avenue project costing \$3.2 million, the funds can be exhausted rather quickly. The City will want to use the resources in areas where it can get the most bang for the buck.

Commissioner Hamann-Roland said the use of TIF may be a remedy for Founders Circle. She commented on the success of other Apple Valley projects completed by Tim Nichols and Michael Pint.

The Board continued discussions.

Commissioner Bergman recommended adding number seven to his previous list.

The Board generally agreed that projects one through four and seven through nine were their top priorities.

Mr. Lawell reminded the Board that in addition to the existing funds available, the Economic Development Authority could create a new TIF district.

FUTURE MEETING SCHEDULE

President Severson asked staff to present this material to Commissioner Grendahl so she is familiar with the material prior to the next meeting of the Economic Development Authority.

Mr. Fifield stated that the City will need to move relatively quickly in order to make the best use of the TIF resources available under the new legislation. He recommended a follow-up meeting in approximately three weeks.

President Severson asked staff to forward potential future meeting dates to the Board.

TIF DEVELOPMENT POLICY

Mr. Nordquist stated the existing Economic Development Authority Tax Increment Financing Development Policy is included in the packet for the Board to review.

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OTHER ITEMS

Mr. Nordquist relayed that staff recently meet with representatives of Uponor who indicated they were doing some shopping to seek out complimentary business partners to occupy the Hanson Concrete site.

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

The meeting was adjourned at 7:32 o'clock p.m.

Respectfully Submitted,

/s/ Pamela J. Gackstetter
Pamela J. Gackstetter, Secretary

Approved by the Apple Valley Economic Development Authority on 10-7-10.