

ECONOMIC DEVELOPMENT AUTHORITY  
City of Apple Valley  
Dakota County, Minnesota  
May 7, 2012

Minutes of the special meeting of the Economic Development Authority of Apple Valley, Dakota County, Minnesota, held May 7, 2012, at 3:00 o'clock p.m., at Apple Valley Municipal Center.

PRESENT: President Severson, Commissioners Bergman, Goodwin, Grendahl, Hamann-Roland, and Hooppaw.

ABSENT:

City staff members present were: City Attorney Dougherty, Associate City Planner Bodmer, Associate City Planner Dykes, Finance Director Hedberg, City Planner Lovelace, Community Development Director Nordquist, and Department Assistant Murphy.

#### APPROVAL OF AGENDA

Meeting was called to order at 3:07 p.m. by President Severson.

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

#### APPOINTMENT OF OFFICERS

MOTION: of Hamann-Roland, seconded by Grendahl, adopting **Resolution No. EDA-12-1** appointing 2012 officers of the Economic Development Authority as: President – Severson, Vice-President – Goodwin, Secretary – Gackstetter, Treasurer – Hooppaw, and Assistant Treasurer – Gackstetter. Ayes - 5 - Nays - 0.

#### APPROVAL OF MINUTES

MOTION: of Hooppaw, seconded by Goodwin, approving the minutes of the special meeting of April 26, 2012, as written. Ayes - 5 - Nays - 0.

#### CONTINUE PUBLIC HEARING: AUTHORIZE BUSINESS ASSISTANCE POLICY

Continued the public hearing at 3:09 p.m. Closed the public hearing at 3:10 p.m.

MOTION: of Goodwin, seconded by Hamann-Roland, adopting **Resolution No. EDA-12-3** amending business subsidy policy, now referred to as the "Business Assistance Policy". Ayes - 5 - Nays - 0.

Associate Planner Margaret Dykes provided an overview and history of the Business Subsidy policy. The City Council and EDA adopted the Business Subsidy policy in 2000. The policy was amended to deal with additional changes in State law in 2003 and has not been amended since. She reviewed the policy amendments.

Discussion followed.

Commissioner Bergman arrived at 3:11 p.m.

#### AUTHORIZE TAX INCREMENT FINANCING (TIF) POLICY

Ms. Dykes stated the City began using Tax Increment Financing (TIF) as an economic development tool in 1982 and the EDA adopted a TIF policy in 1988. The policy was amended and responsibility was transferred from the City Council to the EDA in 1990. The policy has not been changed since then. She provided a synopsis of the current policy and policy amendments.

Discussion followed.

**MOTION:** of Hamann-Roland, seconded by Hooppaw, adopting **Resolution No. EDA-12-4** approving the amendments to the Economic Development Authority's Tax Increment Financing policy. Ayes - 6 - Nays - 0.

#### MASTER DEVELOPMENT DISTRICT AND ESTABLISHMENT OF TIF DISTRICT 14

Finance Director Ron Hedberg introduced the amendments to the Master Development District requesting establishment of a new Tax Increment Financing (TIF) District, Number 14. The Master Development District should be amended to include any new districts that are contemplated. He stated this amendment would modify the boundaries.

Discussion followed.

**MOTION:** of Goodwin, seconded by Hamann-Roland, adopting **Resolution No. EDA-12-5** approving amendments to the Master Development Program for Master Development District, Tax Increment Financing Amendments and the Establishment of Tax Increment Financing District No. 14 and Approving the Tax Increment Financing Plan therefore. Ayes - 6 - Nays - 0.

#### BLUEWATER CAPITAL MANAGEMENT II, aka WISE AQUATIC FACILITY

Ms. Dykes provided an overview of the project analysis located at 5885 – 149th Street W. The facility is located in a commercial area with high visibility or in an existing industrial park. It is likely to have a positive “snowball” effect on neighboring businesses. She stated it is part of an overall expansion project or a significant reinvestment in a building with a history of high vacancy rates and would improve usability and structural integrity of an older commercial building. It would address safety of employee and customers and would allow new businesses to occur that create jobs in Apple Valley, including both construction and permanent jobs.

Discussion followed.

MOTION: of Hooppaw, seconded by Hamann-Roland, adopting **Resolution No. EDA-12-6** approving development agreement for Bluewater Capital Management II, LLC, to provide \$149,900 for construction costs at Wise Aquatic Facility, 5885 – 149th Street W. Ayes - 6 - Nays - 0.

SHERVOSS COMPANY, INC., DEVELOPER OF AMERICINN AND OLD CHICAGO HOTEL, RESTAURANT AND CONFERENCE CENTER

Finance Director Ron Hedberg stated the EDA was asked to authorize the execution of a certificate of completion for the development agreement with Shervoss Company, Inc. The Shervoss Company entered into a development agreement for the construction of a 64 unit hotel (the AmericInn Hotel), a restaurant (Old Chicago) and conference center/banquet facility in 1995. The current owner is seeking action from the EDA indicating that they have completed the improvements as called for in the agreement.

MOTION: of Bergman, seconded by Grendahl, adopting **Resolution No. EDA-12-2** authorizing the execution of a Certificate of Completion for the development agreement with Shervoss Company, Inc. Ayes - 6 - Nays - 0.

GREATER MSP ANNUAL REPORT AND REQUEST FOR MEMBERSHIP RENEWAL

Community Development Director Bruce Nordquist delivered an overview of GREATER MSP and their annual report. He stated that with Apple Valley's reported population of 49,084, it only requires a \$10,000 contribution to renew the membership.

MOTION: of Goodwin, seconded by Hamann-Roland, authorizing payment for the annual membership to GREATER MSP to be paid with EDA funding in the amount of \$10,000. Ayes - 6 - Nays - 0.

LEGISLATIVE AND PROJECT UPDATES

Mr. Nordquist stated HF 2337 was vetoed by Governor Dayton. The Honorable Julianne E. Ortman, Chair of the Senate Tax Committee, was hopeful the bill will come up again in discussion. It needs to go back to the House Conference Committee.

The lease for Steam Global has been reviewed and they have received amazing attention from DEED.

Mr. Nordquist updated the Commissioners on the Station Stops on Cedar Avenue. He stated that the Metropolitan Council and Dakota County got the message that the City of Apple Valley wants the skyway.

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MOTION: of Grendahl, seconded by Hooppaw, to adjourn. Ayes - 6 - Nays - 0.

The meeting was adjourned at 4:18 p.m.

Respectfully Submitted,

/S/ Joan Murphy  
Joan Murphy, Department Assistant

Approved by the Apple Valley Economic Development Authority on 6/4/12.