

ECONOMIC DEVELOPMENT AUTHORITY  
City of Apple Valley  
Dakota County, Minnesota  
March 26, 2015

Minutes of the meeting of the Economic Development Authority of Apple Valley, Dakota County, Minnesota, held March 26, 2015, at 6:00 p.m., at Apple Valley Municipal Center.

PRESENT: Commissioners Bergman, Grendahl, Hamann-Roland, Hooppaw, Maguire and Melander.

ABSENT: Commissioner Goodwin

City staff members present were: Executive Director Tom Lawell, City Attorney Michael Dougherty, Community Development Director Bruce Nordquist, Finance Director Ron Hedberg, Planner Margaret Dykes and Department Assistant Joan Murphy.

Meeting was called to order at 6:00 p.m. by Vice-President Melander.

#### APPROVAL OF AGENDA

MOTION: of Hamann-Roland, seconded by Hooppaw, approving the agenda. Ayes - 6 - Nays - 0.

#### APPROVAL OF MINUTES

MOTION: of Hooppaw, seconded by Bergman, approving the minutes of the meeting of February 26, 2015, as written. Ayes - 6 - Nays - 0.

#### CONSENT AGENDA

MOTION: of Hamann-Roland, seconded by Bergman, approving dedication of Drainage and Utility easement over portions of Outlot C, Valley Business Park. Ayes - 6 - Nays - 0.

MOTION: of Hamann-Roland, seconded by Bergman, authorizing staff to prepare agreements between the Apple Valley EDA and OneTwoOne Development, LLC for the Village Pointe Plaza mixed-use development (Lot 1, Block 1, Village at Founders Circle). Ayes - 6 - Nays - 0.

#### TRANSFER OF OWNERSHIP OF SPOWD DEVELOPMENT TO AVBC, LLC

Finance Director Ron Hedberg stated that in June 2012, the EDA entered into a development agreement with Spowd Developments, LLC for the development of the Apple Valley Business Campus located in TIF District No.14 along the newly constructed 147th Street W. The development agreement provided for the development of 21 acres, comprised of two separate phases including four buildings, totaling 228,928 square feet of office/ show room/ warehouse with a market value of \$11.3 million. Spowd Developments, LLC is requesting a transfer of the development agreement to a new company, AVBC, LLC.

He commented that the developer obligations included, building a minimum of two buildings, employing at least 40 people and maintaining the property as a rental commercial building during the term of the TIF District. The developer has met all the requirements except for maintaining the property as an ongoing rental commercial property over the life of the TIF district, which is a function of time.

The development agreement includes a pay as you go TIF district, with the costs incurred secured by the property in the form of a special assessment levied against the property. The agreement included a Tax Increment Revenue Note which is the instrument that provides the pay as you go financing feature whereby the developer will receive 90% of available tax increment revenue each year.

The original Tax Increment Revenue Note was executed with Spowd Developments, Inc. and Spowd is requesting that the rights and responsibilities included be transferred to a new entity, AVBC, LLC. AVBC, LLC is owned by Spowd Developments.

Discussion followed.

MOTION: of Bergman, seconded by Hooppaw, adopting **Resolution No. EDA-05** approving and authorizing the execution of assignment of Development Agreement for transfer of ownership from SPOWD Developments to AVBC, LLC. Ayes - 6 - Nays - 0.

6. OTHER

NONE

7. STAFF UPDATES

Community Development Director Bruce Nordquist informed the Commission that a presentation for Vitalocity would take place on April 15, 2015, at 7:00 p.m. and that the City Commissions and Committees are invited.

ADJOURNMENT

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

The meeting was adjourned at 6:15 p.m.

Respectfully Submitted,

                  /s/ Joan Murphy                    
Joan Murphy, Department Assistant

Approved by the Apple Valley Economic Development Authority on   4/9/15  .