

2014 Economic Development Annual Report



Positioned to Thrive

About Lakeville, Minnesota

Lakeville is a thriving city of cohesive neighborhoods, vibrant businesses, and successful community partnerships. Working together, education, commerce, and local government have built a dynamic city offering a wide-array of shopping, housing, and business development opportunities. Our parks, lakes, and award-winning schools are alive with countless cultural, recreational, educational, and leisure activities. Lakeville is ideally positioned for easy access to the Twin Cities' numerous regional amenities and attractions. From a historic downtown to industrial and high-tech business parks, Lakeville continues to attract quality growth while maintaining the small-town feeling and high quality of life that makes it exceptional.

Community Values

Diversified Economic Development

We value the stability and independence provided by a strong, diversified local economy.

Good Value for Public Services

We value high-quality public services delivered cost effectively.

Safety Throughout the Community

We value living in a community where people feel safe everywhere they go.

Design That Connects the Community

We value a well-designed community and we place a priority on development that enhances connectivity and accommodates our changing needs.

High Quality Education

We value and are committed to high quality education that sets us apart.

A Home for All Ages and Stages of Life

We value living options for people of all ages and stages of life.

A Sense of Community and Belonging

We value the sense of belonging that comes from our traditions and institutions, and we strive to support and preserve them.



Lakeville Demographics

Median Household Income: **\$93, 252***

Median Home Value: **\$243,500***

Median Age: **35.1***

Unemployment in Lakeville: **3.1%****

Number of Businesses in Lakeville: **1,063 ****

*Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey,

**Source: MN DEED, Labor Market Information Office, Local Area Unemployment Statistics – December 2014,

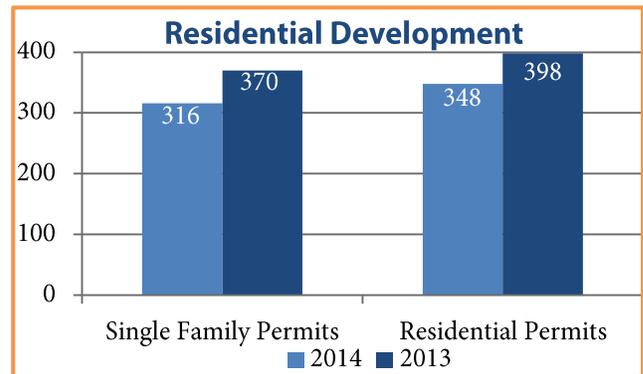
***Source: MN DEED Quarterly Census of Employment and Wages – Q2 2014

Residential Growth

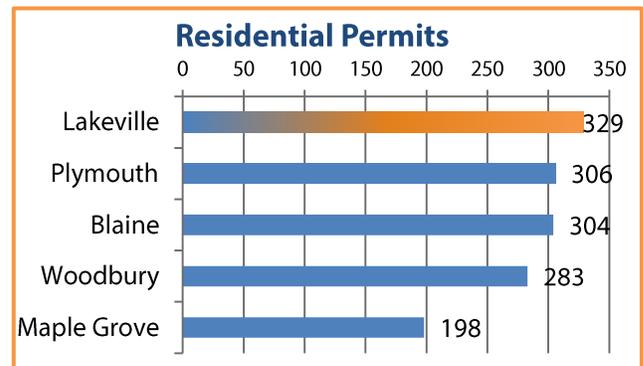
Although 2014 saw a slight drop in residential and single family home permits issued compared to 2013, Lakeville still led the Twin Cities Metro Area. According to the Builders Association of the Twin Cities, Lakeville issued 329 permits which placed Lakeville ahead of other Metro communities such as Plymouth,

Blaine, Woodbury and Maple Grove. This is the second year in a row in which Lakeville has led the Twin Cities Metro Area for total number of residential permits issued.

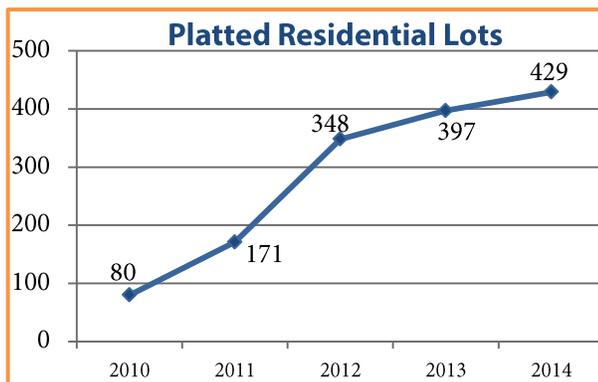
The majority of Lakeville's growth continues to be single family homes. 90% of all residential permits issued were for single family homes.



Source: City of Lakeville, as of 12/31/2014



Source: Builders Association of the Twin Cities, December 2014



Source: City of Lakeville, as of 12/31/2014

2014 also saw the largest number of platted lots in the City of Lakeville in the last five years at 429.

Industrial Development

Menasha Packaging

- 120,000 square-foot expansion.
- Creating 15 new jobs and retaining 221 existing jobs.
- Estimated project cost of \$7.2 million.



BTD Manufacturing

- 200,000 square-foot expansion.
- Creating 100 new jobs and retaining 215 existing jobs.
- Estimated project cost of \$14.2 million.



Recycle Minnesota

- New recycling facility.
- Operated by Dick's Sanitation/Lakeville Sanitation.
- Located in the former Drywall Supply building.
- Created 25 new jobs.



NPL

- Relocating from 20000 Kenrick Ave.
- 15,000 square-foot office-warehouse.
- 85 existing jobs retained.



FedEx Freight

- Received preliminary approval to construct a 94,000 square-foot FedEx Freight facility at the southeast corner of 215th Street and Dodd Boulevard.
- Anticipated to create 125 new jobs.



Commercial Development

Constructed in 2014

- Ballet Royale
 - New 8,600 square-foot dance studio on Kenrick Avenue just south of Country Road 46.
 - Three large dance studios, a Pilates studio and a convertible 3,600 square-foot performance space.
- SuperAmerica
 - New 3,300 square-foot store located on Keokuk Avenue just north of County Road 70.
 - Includes fuel sales, convenience store and car wash.



Approved in 2014

- Hy-Vee
 - New 92,000 square foot grocery store in the Spirit of Brandtjen Farm commercial development at the southeast corner of Pilot Knob Road and 160th Street.
 - Will also include a gas convenience store with a drive-thru Caribou Coffee and four-bay car wash.



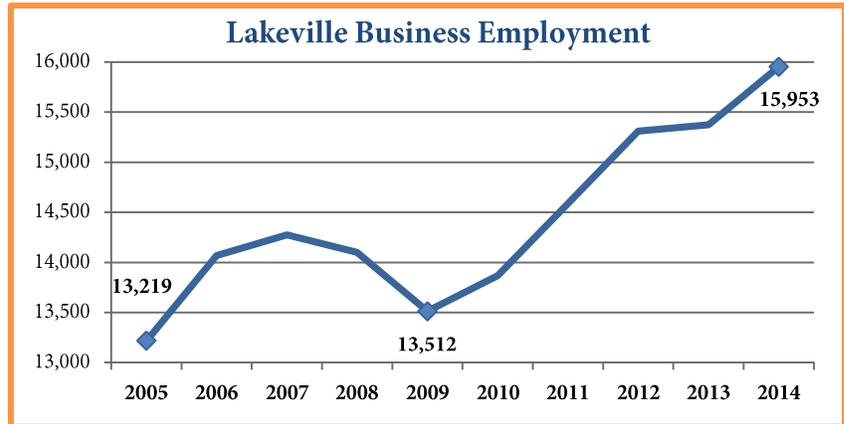
New Commercial Businesses

- Park Dental
 - Opened a 1,400 square-foot dental office at 17436 Kenwood Trail.
- TITLE Boxing
 - Opened a 5,000 square-foot fitness facility at Lakeville Crossing shopping center.
- El Parian Mexican Restaurant
 - Opened at Crossroads of Lakeville shopping center in the former El Patio restaurant space.
- Kaleidoscope
 - Opened a boutique retail store in Downtown Lakeville at 20779 Holyoke Avenue.



Lakeville Business Employment

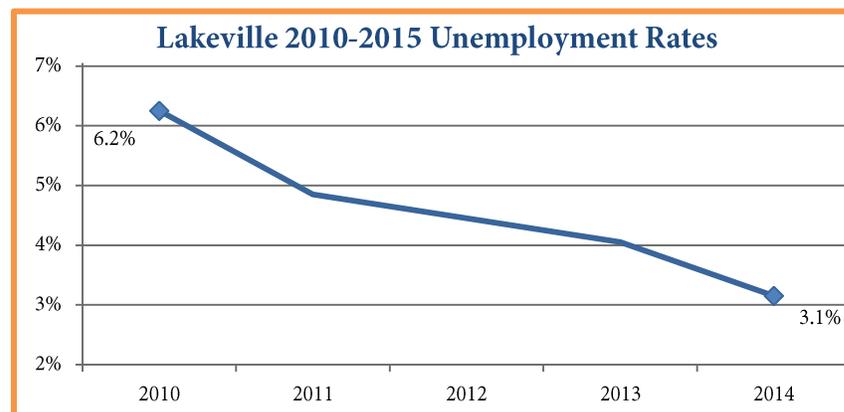
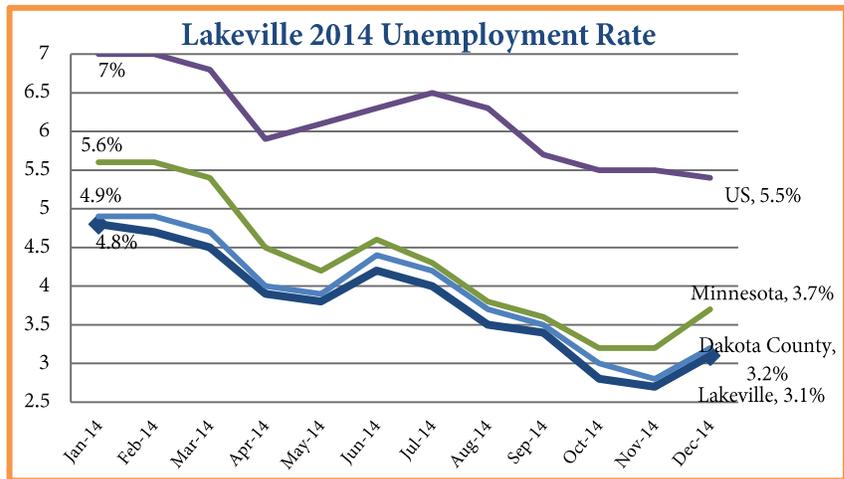
The highest number of jobs in the City of Lakeville occurred during 2014. Employment has surpassed pre-recession levels. This is a positive indicator of the business growth that is occurring in Lakeville.



Source: Minnesota Department of Employment and Economic Development, Quarterly Census of Employment and Wages. Data from Q2 of each year.

Unemployment Rates

2014 saw a continued decline in Lakeville's unemployment rate. Beginning at 4.8% in January and falling to 3.1% by December. This is a trend that has continued for the last five years. In 2010, unemployment in Lakeville was 6.2% and has declined steadily.



Source: Minnesota Department of Employment and Economic Development, Labor Market Information Office, Local Area Unemployment Statistics

Business Outreach

Each year during Minnesota Manufacturers Week, the City of Lakeville hosts an appreciation reception recognizing the manufacturing and industrial businesses in the community. In 2014, the City of Lakeville also partnered with the Lakeville Area Chamber of Commerce and visited nearly a dozen businesses in the Airlake Industrial Park. Visit attendees included the Mayor, and members of the City Council, Economic Development Commission, Lakeville Area Chamber of Commerce and Convention and Tourism Bureau and City staff.

Business visited included:

- Hearth and Home Technologies
- Progressive Rail
- Wausau Supply
- Performance Office Papers
- Advanced Wireless Communications
- Uponor
- J&E Earll Manufacturing
- Platinum Code
- Atlas Specialized Transport
- Hobo, Inc.
- Midwest Veterinary Supply



Midwest Veterinary Supply



J&E Earll Manufacturing

The visits presented a great opportunity to gain insight into each company's business condition, employment size and operations. These important visits are part of the 2014-2016 Economic Development Strategic Plan and will be ongoing. Additional visits following Minnesota Manufacturers Week included visits to Parkin Hannifin Corporation and Advanced Metal Products.



Parkin Hannifin Corporation

Redevelopment

Downtown Parking Improvements

The City of Lakeville, in partnership with the Dakota County Community Development Agency (CDA), was able to complete two public parking improvement projects in Downtown Lakeville in 2014. These projects were originally identified in the City's Downtown Development Guide approved in 2006. These projects which totaled approximately \$600,000 were funded with Tax Increment Financing and Redevelopment Incentive Grant funds provided by the CDA.



Downtown Lot - Before



Holyoke Ave. Lot - Before



Holyoke Ave. Lot - During Construction



Downtown Lot - After

Housing Improvement Area

The City of Lakeville also worked with the Dakota County CDA to create the City's first Housing Improvement Area to assist the Niakwa Village II home owners association in financing over \$625,000 of exterior common area improvements to their 52 unit townhome development that was constructed over 30 years ago.



Niakwa Village Townhome - Before



Niakwa Village Townhome - After