



**Meeting Location: Municipal Center
7100 147th Street West
Apple Valley, Minnesota 55124**

November 13, 2025

Economic Development Authority Special Meeting Tentative Agenda

6:30 PM

1. Call To Order
2. Approve Agenda
3. Consent Agenda
Consent Agenda Items are considered routine and will be enacted with a single motion, without discussion, unless there is a request to have any item separately considered. It will then be moved to the regular agenda for consideration.
 - A. Approve Minutes of September 25, 2025, Regular Meeting
4. Regular Agenda
 - A. EDA Resolution of Support for Allocation of Pooled TIF Funds to Real Estate Equities for the Proposed Valley Station Apartments Project
5. EDA Items And Communications
6. Staff Updates
7. Adjourn

Next Regularly Scheduled Meeting Date: Tuesday, December 23, 2025



ITEM:
MEETING DATE:
SECTION:

3.A.
November 13, 2025
Consent Agenda

Description: Approve Minutes of September 25, 2025, Regular Meeting	
Staff Contact: Christina Scipioni, City Clerk	Department / Division: Community Development

Action Requested:

Approve minutes of regular meeting on September 25, 2025.

Summary:

The minutes of the regular Economic Development Authority meeting are attached for your review and approval.

Background:

State statute requires the creation and preservation of meeting minutes which document the official actions and proceedings of public governing bodies.

Budget Impact:

N/A

Attachments:

1. 2025-09-25 EDA Minutes

ECONOMIC DEVELOPMENT AUTHORITY
City of Apple Valley
Dakota County, Minnesota
September 25, 2025

Minutes of the Meeting of the Economic Development Authority of Apple Valley, Dakota County, Minnesota, held September 25, 2025, at 7:46 p.m., at Apple Valley Municipal Center.

PRESENT: President Tom Melander, Commissioners John Bergman, Ruth Grendahl, Clint Hooppaw, Jodi Kurtz, and Ken Johnson

ABSENT: Commissioner Lisa Hiebert

City staff members present: City Administrator Lawell, Community Development Director Benetti, City Attorney Hills, City Clerk Scipioni, and City Planner Dill

Approval of the Agenda

President Melander asked staff if there were any changes to the agenda. Mr. Lawell stated Item B under Consent would be moved to Regular Business.

MOTION: of Hooppaw, seconded by Grendahl, approving the agenda as amended. Ayes - 6 - Nays - 0.

Consent Agenda

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

Consent Agenda Items

- A. Approve the minutes of the January 23, 2025, regular meeting

Regular Business

- A. Approve Planned Development Agreement and Development Agreement for Valley Station Apartments (Gaslight Site), 15584 Gaslight Drive

Mr. Benetti provided an overview of the proposed project, which was approved by the City Council earlier in the evening. Because the Economic Development Authority owns the land, the Planned Development Agreement and Development Agreement must be approved by both the City Council and EDA.

Economic Development Authority
City of Apple Valley
Dakota County, Minnesota
September 25, 2025
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MOTION: of Hooppaw, seconded by Kurtz, approving a Planned Development Agreement and a Development Agreement for Valley Station Apartments (Gaslight Site), 15584 Gaslight Drive. Ayes - 6 - Nays - 0.

Staff Updates

There were no staff updates.

Adjourn

MOTION: by Hooppaw, seconded by Bergman, to adjourn at 7:50 p.m. Ayes - 6 - Nays – 0.

Respectfully Submitted,

Christina M. Scipioni, City Clerk

Approved by the Apple Valley Economic
Development Authority on _____.

Thomas O. Melander, President



ITEM:
MEETING DATE:
SECTION:

4.A.
November 13, 2025
Regular Agenda

Description: EDA Resolution of Support for Allocation of Pooled TIF Funds to Real Estate Equities for the Proposed Valley Station Apartments Project	
Staff Contact: Tim Benetti, Community Development Director	Department / Division: Community Development

Action Requested:

Adopt the EDA Resolution of Support for the allocation of Pooled Tax Increment Funds by the Dakota County Community Development Agency to assist in the financing and development of the proposed Valley Station Apartments In the City of Apple Valley by Real Estate Equities, LLC.

Summary:

Real Estate Equities, LLC (also referenced as Apple Valley AH I, LLLP and collectively herein as "Developer") is purchasing a 3.1-acre EDA-owned site located at 15584 Gaslight Drive and legally described as Lot 1, Block 2, Carroll Center 4th Addition (the "Gaslight Site"). On September 25, 2025, the Developer received approval to construct a new 144-unit multifamily development, with approximately 90% of units affordable to households earning at or below 60% of Area Median Income (AMI).

The total development cost of this project is estimated at \$55 million. To help finance the project, the Developer applied to the Dakota County Community Development Agency (CDA) for an allocation of tax-exempt bonds, which triggered eligibility for the "automatic" 4% Low-Income Housing Tax Credits (LIHTC) available for qualified developments. However, the Developer represents to the City and the CDA that prevailing wage requirements, the unique design of the Project, increased building and labor costs, and higher than expected interest rates have resulted in unforeseen increased costs to the Project, resulting in an estimated \$6 million financing gap.

To help close this gap, the Developer has secured an \$808,000 Metropolitan Council Livable Communities Demonstration Account (LCDA) Grant, and the City has tentatively committed approximately \$1.2 million in Local Affordable Housing Aid (LAHA) from its 2025 and 2026 allocations, which is permitted under the LAHA program and is an approved use of LAHA funds under the agreement entered into by the City and the CDA on March 27, 2025. Despite these contributions, an estimated \$4 million gap remains. To address the remaining shortfall, the Developer has requested additional financial assistance from the CDA through the allocation of available pooled TIF funds to complete the project's funding.

The CDA is now seeking separate consideration and potential approval from the Dakota County CDA

Board of Commissioners to allocate a portion of pooled tax increment financing (TIF) funds from the existing **TIF District No. 11 - Pennock**, also referred to as the "CDA Scattered Site TIF District."

These TIF funds would be used to help close a financing gap the Developers are attempting to reduce or eliminate in order to carry the project forward.

TIF No. 11 was created (certified) on April 17, 2002, and is set to decertify by December 31, 2029.

This district encompasses several affordable multiple-family developments in Apple Valley, including Remington Cove, Haralson Apartments, Legacy Square Condominiums, Hearthstone, and The Timbers. Revenues generated from these developments have contributed to the district since 2002. The district was originally established to support affordable housing development by offsetting land acquisition costs, providing eligible on-site improvements, and promoting the development and preservation of affordable housing both within Apple Valley and in neighboring communities.

Because this TIF District No. 11 is managed by Dakota County, no direct City funds or budget allocations are involved in this request. Adoption of this EDA resolution would formally convey the City's support and encouragement for the Dakota County CDA Board of Commissioners to authorize the allocation of pooled TIF funds to assist in financing the Valley Station Apartments project.

Background:

The Site is the former Apple Valley Park and Ride facility, which was decommissioned by the Minnesota Valley Transit Authority (MVTA) and is no longer in service.

In 2024, the City issued a Request for Proposals (RFP) to redevelop the Site and subsequently selected the Developer's proposal for a four-story, workforce (affordable) apartment community. A purchase agreement between the City and the Developer was executed shortly thereafter.

The City Council approved the proposed development on September 25, 2025.

Budget Impact:

N/A

Attachments:

1. Resolution of Support_Pooled TIF Funds_Valley Station Apts_EDA 11-13-2025

CITY OF APPLE VALLEY
ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. EDA 2025 - _____

A RESOLUTION OF SUPPORT FOR THE ALLOCATION OF DAKOTA COUNTY
COMMUNITY DEVELOPMENT AGENCY POOLED TAX INCREMENT FUNDS TO ASSIST IN
THE FINANCING AND DEVELOPMENT OF THE PROPOSED VALLEY STATION
APARTMENTS IN THE CITY OF APPLE VALLEY BY REAL ESTATE EQUITIES, LLC

WHEREAS, on October 24, 2024, the City of Apple Valley’s Economic Development Authority (the “EDA”) approved a Purchase and Sale Agreement between the EDA and Real Estate Equities, LLC (also referenced as Apple Valley AH I, LLLP and collectively as the “Developer”) for the sale of a 3.1 acre site owned by the EDA and legally described as Lot 1, Block 2, Carroll Center 4th Addition, Dakota County, Minnesota, and addressed as 15584 Gaslight Drive, Apple Valley, Minnesota (the “Subject Property”); and

WHEREAS, on September 25, 2025, the city council for the City of Apple Valley (the “City”) adopted Resolution No. 2025-143, approving issuance of a building permit to the Developer to construct a new 144-unit affordable workforce apartment building (the “Project”) on the Subject Property, with an estimated total development cost of \$55,000,000 (fifty-five million dollars) for the project; and

WHEREAS, to finance the Development, the Developer has applied to the Dakota County Community Development Agency (the “CDA”) for an allocation of tax-exempt bonds which activates the allocation of automatic 4% low-income housing tax credits to be applied towards the Development; and

WHEREAS, the Developer represented to the City that prevailing wage requirements, the unique design of the Project, increased building and labor costs, and higher than expected interests rates have resulted in unforeseen increased costs to the Project, thus creating a financing gap of over \$6 million; and

WHEREAS, as part of an effort to close this gap, the Developer received a Metropolitan Council Livable Community Demonstration Account (LCDA) grant of \$808,000 through the City, and the City has tentatively agreed to commit approximately \$1,200,000 of its 2025 and 2026 Local Affordable Housing Aid (LAHA) funds to the Project; leaving approximately \$4 million needed to complete the financing package; and

WHEREAS, the CDA is considering allocating up to \$4,000,000 of pooled tax increment financing (TIF) funds that have been generated and collected from properties within Apple Valley under its existing TIF District No. 11 - Pennock, also referred to as the “CDA’s Scattered Site TIF district.” The TIF District No. 11-Pennock includes several affordable multiple family developments within Apple Valley, such as Remington Cove, Haralson Apartments, Legacy Square Condominiums, Hearthstone and The Timbers; and

WHEREAS, the purpose of these Dakota County CDA controlled pooled TIF funds is to help offset land acquisition costs, provide eligible on-site improvements, support certain affordable housing projects within and outside the City of Apple Valley, and to develop and preserve affordable housing for the City's and neighboring communities' residents with quality, safe and healthy housing; and

WHEREAS, it is in the best interest of the City of Apple Valley that the TIF District No. 11 - Pennock funds received by the CDA from the foregoing properties/projects be used to support projects within the City of Apple Valley.

NOW THEREFORE BE IT RESOLVED, that the Economic Development Authority for the City of Apple Valley hereby expresses its support and encouragement to the Dakota County Community Development Agency to allocate a portion of its pooled TIF funds generated specifically by TIF District No. 11 - Pennock (CDA's Scattered Site TIF District) to Real Estate Equities, LLC / Apple Valley AH I, LLLP, to be used exclusively towards the Valley Station Apartments project and development in the City of Apple Valley, Minnesota.

ADOPTED this 13th day of November 2025.

Thomas O. Melander, President
Apple Valley Economic Development Authority

ATTEST:

Christina M. Scipioni, City Clerk/Secretary

CERTIFICATE

I, Christina M. Scipioni, Apple Valley City Clerk and Secretary for the Economic Development Authority, hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Apple Valley Economic Development Authority on November 13, 2025, the original of which is in my possession, dated this 13th day of November 2025.

Christina M. Scipioni, City Clerk/Secretary