



Positioned to Thrive



2020 Economic Development Annual Report

About Lakeville, Minnesota

The ideal combination of historic charm and modern convenience, Lakeville is a thriving city comprised of family-oriented neighborhoods, vibrant businesses and successful community partnerships. Working together, education, commerce, and local government have built a dynamic city that offers 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

Population: **65,831***

Population change since 2010: **17.6%***

Median Household Income: **\$110,212****

Median Home Value: **\$339,100^^**

Median Age: **36.6****

Unemployment in Lakeville: **3.2%*****

Number of Businesses in Lakeville: **1,332^**

Number of Jobs in Lakeville: **15,888^**

*Source: Metropolitan Council Population Estimates 2019

**Source: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates

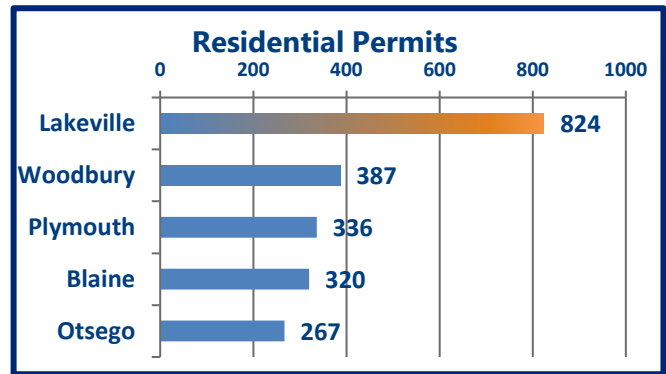
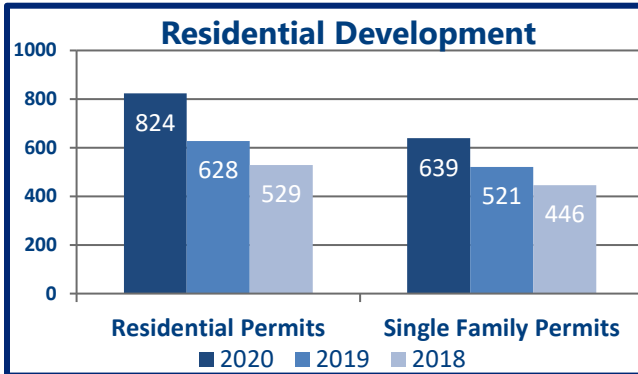
***Source: MN DEED, Local Area Unemployment Statistics – December 2020

^Source: MN DEED, Quarterly Census of Employment and Wages – Q2 2020

^^Source: Dakota County 2020

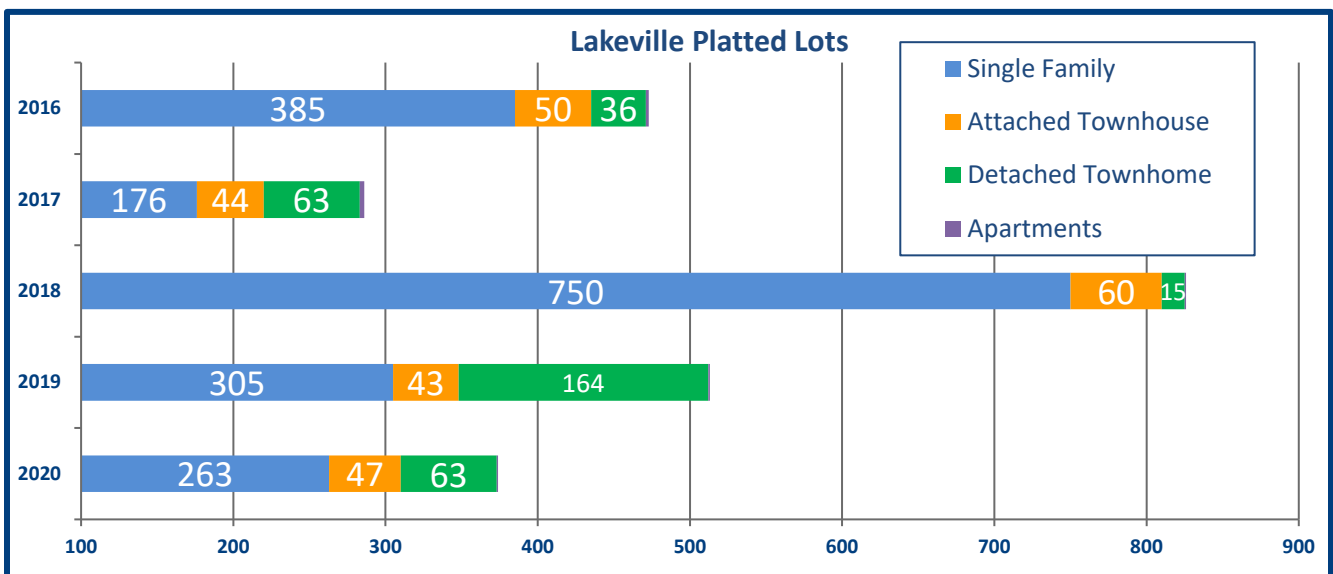
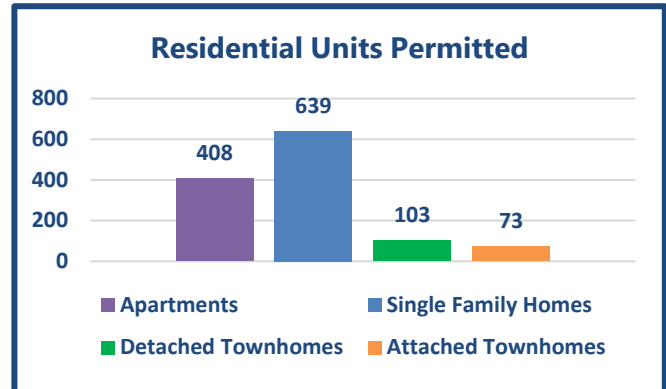
Residential Growth

The City of Lakeville experienced a record-setting level of development activity in 2020. The City issued building permits with a total valuation of \$442.3 million, which is the highest building permit valuation in the City's history. The previous record was set in 2019 with a building permit valuation of \$301.4 million. The City issued 824 residential permits in 2020 and 639 of those were single-family homes. The average building permit value on the 2020 single-family homes was \$295,086. According to Minnesota Housing First, Lakeville led the Minneapolis-St. Paul metropolitan area for residential permits, issuing over 400 more permits than Otsego, Woodbury, Cottage Grove and Plymouth. This is the eighth year in a row that Lakeville has led the metro area in residential permits.



Source: BATC-Minnesota Housing First, December 2020

Lakeville saw the completion of two multi-family developments in 2020: Edison at Spirit (160-unit, market-rate) and Kingsley Place (55-unit, senior independent). Springs at Lakeville (260-unit, market-rate) was partially occupied in 2020 and should complete construction in 2021. The City issued 176 townhome permits and nine apartment permits (totaling 408 units) in 2020.



Commercial Development

New Commercial Businesses

- **Natural Balance Massage**
 - Natural Balance Massage held a ribbon cutting on January 13 to celebrate its new location in Lakeville. The business specializes in relieving headaches, jaw, neck and back pain due to stress, poor posture and repetitive use strain.
- **Hampton Inn and Suites**
 - Hampton Inn and Suites hosted a ribbon cutting ceremony on January 14. The new four-story, 117-unit hotel is located at 20851 Keokuk Avenue, near Harry's Scratch Kitchen and Allina Clinic, and includes an indoor pool and a meeting room.
- **Puppy Play & Stay**
 - Puppy Play & Stay hosted a ribbon cutting ceremony on February 10 at 16320 Kenrick Loop, near Pleasant Hills Saddle Shop. The new business offers dog daycare, boarding and grooming.
- **HealthPartners Park Nicollet Clinic**
 - HealthPartners Park Nicollet Clinic opened in its new two-story, 28,420-square-foot medical office building at 18484 Kachina Court (near the corner of 185th Street West and Kenwood Trail) on February 24. The new building replaces the existing Park Nicollet Clinic and offers more health care services at the new Lakeville location.
- **The Beauty Box**
 - The Beauty Box opened in Lakeville at 17689 Kenwood Trail. The business is a beauty boutique and spa that offers beauty services, products and boxes.
- **Camping World**
 - Gander Outdoors remodeled its location in 2020 and changed its name to Camping World. Camping World sells RVs and campers, as well as outdoor gear.
- **Caravel Autism Health**
 - Caravel Autism Health held a ribbon cutting on June 24. The new business is located at 10450 185th Street West, Suite 100 and provides autism diagnostic evaluations, applied behavior analysis treatment plans and social skills training for children aged 2 and older.
- **Actin FITT**
 - Actin FITT hosted a ribbon cutting ceremony on July 9 at 8337 210th Street West. The new business is a gym and prevention center that offers personal training, group training and classes.
- **Airlake Marketing & Advertising Agency**
 - Airlake Marketing & Advertising Agency held a ribbon cutting on August 5 at the business's new location in downtown Lakeville. The marketing agency, located at 20730 Holyoke Avenue, Suite 130, can assist clients with email marketing, social media, app development, copywriting and web design.
- **South Metro Dance Arts Center**
 - South Metro Dance Arts Center moved to its new location in downtown Lakeville at 20775 Holt Avenue. South Metro Dance offers classes for all levels of dance.
- **Any Lab Test Now**
 - Any Lab Test Now opened at 20200 Heritage Drive. The business provides a variety of lab testing onsite and most test results are available within 24 – 72 business hours after specimen collection.



- **Lakeville Nutrition**

- Lakeville Nutrition remodeled the space at 20769 Holyoke Avenue and opened in late 2020. The business serves health shakes and herbal teas.

- **Children's Minnesota Specialty Center**

- Children's Minnesota Specialty Center is open at 18432 Kenrick Avenue. The new location offers occupational therapy, physical therapy, feeding therapy and speech therapy.



Under Construction in 2021

- **Springs at Lakeville**

- Springs at Lakeville is nearing completion on the construction of its 260-unit apartment development. The new housing option is located at 17400 Glacier Way and includes amenities such as an outdoor pool, barbeque area and fitness center.

- **The Moments of Lakeville**

- The Moments of Lakeville held a groundbreaking ceremony on February 27. The Moments, located at 16258 Kenyon Avenue, is constructing a two-story, 78,000-square-foot building expansion to the west. The building addition will house 60 new memory care units.



- **Hotworx Fitness Studio**

- Hotworx Fitness Studio was issued a permit in November to remodel the tenant space at 17693 Kenwood Trail. Hotworx is a 24-hour fitness studio that offers virtually instructed, infrared sauna workouts.

- **Red's Savoy Pizza**

- Red's Savoy Pizza is coming soon to Lakeville. In December the business was issued a permit to build-out the tenant space at 17450 Kenwood Trail, formerly a Caribou Coffee.

- **Northlake Loft Apartments**

- Northlake Lofts Apartments were approved in June. The apartment project was submitted by Roers Investments LLC and will construct a 208-unit, four-story market rate apartment building near the former Best Buy building and Speedway, located off of 185th Street and Orchard Trail.

- **The Pillars of Lakeville**

- In November, the City Council approved an application from Oppidan for The Pillars of Lakeville, a 100-unit senior housing facility, located on the Crossroads Church site, located at 17671 Glacier Way. This was approved in conjunction with the Four Square Preschool and Daycare facility, which will have capacity for 240 children.



- **Arris Apartments**

- In December, the City Council approved the Arris Apartments project, a 197-unit apartment building that will be located east of Kenrick Avenue and north of 173rd Street, just south of Fleet Farm.

- **Keokuk Liquor Store**

- The Keokuk Liquor Store was approved by the City Council during its December 21 meeting. The proposed fourth liquor store will be located on Keokuk Avenue near Harry's Scratch Kitchen and Speedway.

Completed Construction in 2020

- **Edison at Spirit**
 - The Edison at Spirit development completed construction and opened in 2020. The 160-unit apartment building is located in the Spirit of Brandtjen Farm development and offers amenities such as an outdoor pool, fitness center and clubhouse.
- **Kingsley Place**
 - Construction is complete on Kingsley Place, the 55-unit, four-story senior independent living facility with a wellness center and underground parking, located in the northwest corner of Kenwood Trail (CSAH 5) and Klamath Trail. This building and the original Kingsley Shores facility are connected by a second story skyway and through the underground parking garages.
- **Recycle Minnesota**
 - Recycle Minnesota has completed construction of the 21,240-square-foot building addition to its existing 41,834-square-foot recycling facility located at 8812 215th Street. The business also added a 69-foot tall storage silo on the property which will store recycled glass, such as beverage bottles and food jars, that is then periodically loaded into a semi-trailer for over-the-road transport.
- **Polytek Surface Coatings**
 - Polytek Surface Coatings has completed construction on its new two-story, 17,218-square-foot office and warehouse building at 7850 Lakeville Boulevard. This business was previously located in a smaller leased space in the Hebert Building III on Heron Way.
- **U-Haul Moving & Storage of Lakeville**
 - U-Haul Moving & Storage of Lakeville opened at 7400 Lakeville Boulevard (off of Cedar Avenue) in late 2020 in the company's new 131,307-square-foot, three-story climate-controlled self-storage building. The facility includes self-storage, an office and retail showroom, and U-Haul trucks and trailers for rent.

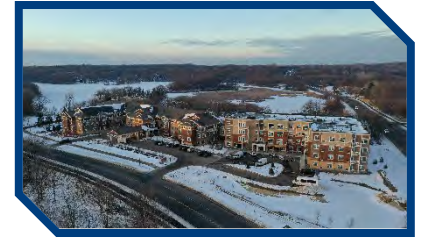
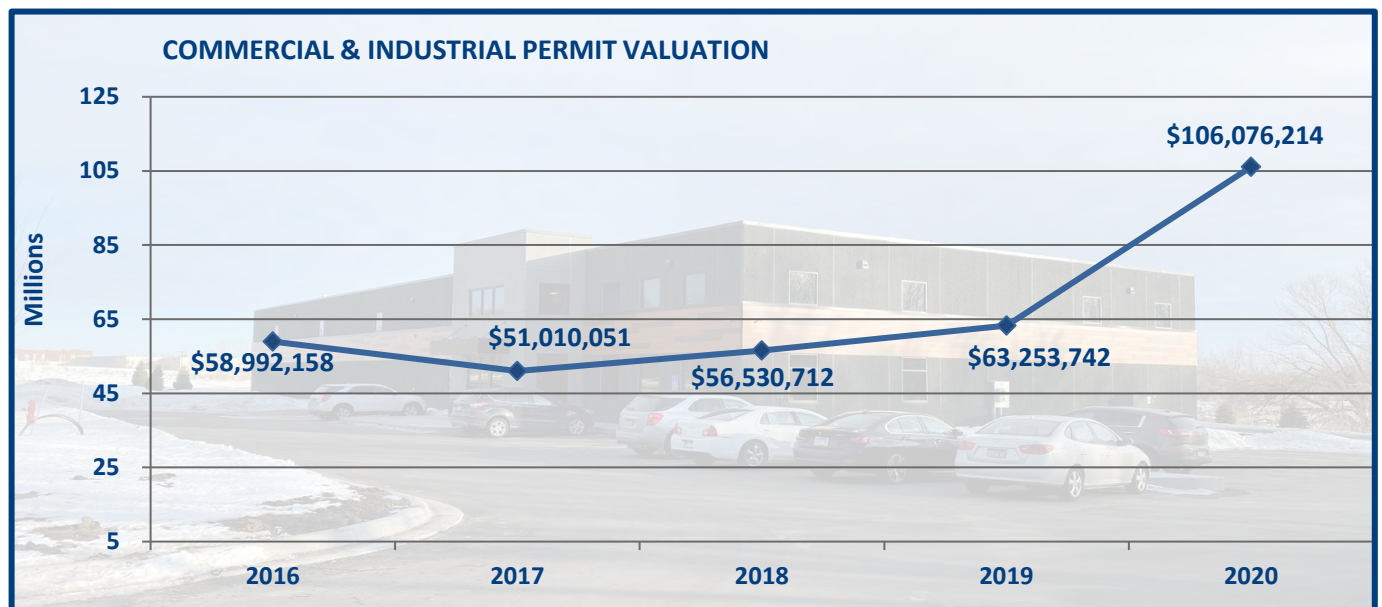


Photo Source: ISG



Photo Source: ISG



Valuations include Building, Electrical, Mechanical, Plumbing and Sewer & Water Permits

Industrial Development

McNeilus

- Occupying 86,000 square feet in Launch Park First Addition building
- New business and additional jobs to Lakeville

McNeilus



FedEx Freight

- 88,255-square-foot expansion
- Additional cross-dock space, expanded maintenance building and additional trailer parking

FedEx
Freight



Sweet Harvest Foods

- New 150,000-square-foot, two-tenant warehouse building
- New business to Lakeville

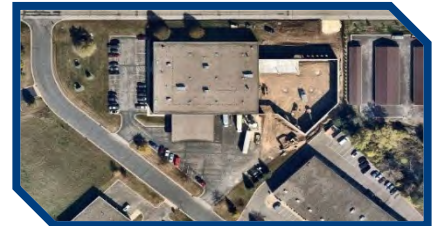
Sweet Harvest
Foods



JD Woodcraft

- 18,288-square-foot addition
- Growth and expansion of existing Lakeville business

JD Woodcraft
DESIGN / BUILD CABINETS AND FURNITURE



Superior Decks & Railings

- New 62,000-square-foot building
- New business and additional jobs to Lakeville

SUPERIOR
ALUMINUM DECKS & RAILINGS



Meridian Blue Construction

- Conversion of an existing 28,000-square-foot building
- New business and additional jobs to Lakeville

MB
MERIDIAN BLUE CONSTRUCTION



Amazon XL Facility

- 750,000-square-foot building
- Will fulfill large item orders
- \$45 million permit valuation
- 100-200 new jobs to Lakeville

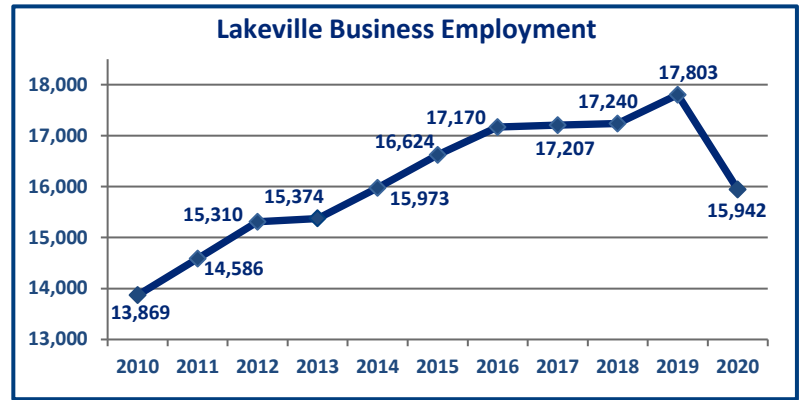
amazon



Lakeville Business Employment

The number of jobs in Q2 of 2020 was 15,942, a 10.5% decrease from 2019 due to COVID-19 closures and restrictions.

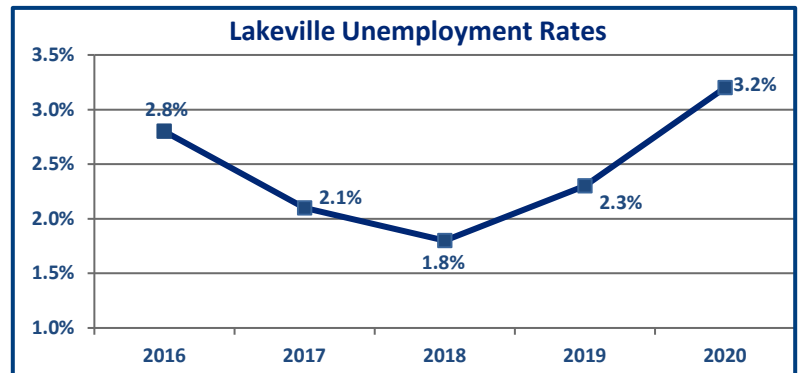
However, Q1 numbers were in line with the previous quarter's employment levels and hiring is expected to increase as restrictions ease. The historically steady increase in employment is a positive indicator of business growth occurring in the City.



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

Unemployment

In November 2020, Lakeville saw the unemployment rate increase to 3.2%. In comparison, Dakota County's unemployment rate for the same period was 3.7%, Minnesota's was 3.9%, and the United States was 6.4%.



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

COVID-19 Response

The COVID-19 pandemic brought challenges and hardship to Lakeville's residents and business community. In response, the City of Lakeville awarded 101 grants which infused \$1.1 million public grant dollars into local small businesses and nonprofit organizations who were negatively impacted by the challenging economic conditions in 2020. The City Council also approved a business liquor license fee reduction and a temporary outdoor dining policy (that remains in place until the local emergency declaration expires). In addition, the City supported efforts such as the Lakeville Cares program, free mask distribution via the Lakeville Area Chamber of Commerce, and a county-wide interactive business services map that identified those businesses that were operating and open to the public.

Major Accomplishments

The City Council approved the 2020-2023 Strategic Plan for Economic Development in January 2020. During the strategic planning process, the Economic Development Commission identified four strategic priorities: Business Retention, Expansion and Diversification; Maximize and Market Our Competitive Edge; Housing to Support Economic Goals; and Workforce Availability and Utilization. This document will help guide the City's economic development priorities and initiatives for the next four years in alignment with *Envision Lakeville's* community values and strategic priorities.

The 2040 Comprehensive Plan was formally adopted in late 2019, which guides development for the next 20 years. A corridor mixed use (CMU) zone was added to the updated comprehensive plan, which will allow for mixed commercial and residential uses near identified transit areas. In 2020, the Planning Commission and City Council worked to amend the Zoning Ordinance and update the Zoning Map to be in compliance with the 2040 Comprehensive Plan.

Looking Ahead

County State Aid Highway (CSAH) 70/215th Street, located on the southern edge of Airlake Industrial Park, is expanding from Kenrick Avenue/Kensington Boulevard to Cedar Avenue from the current two-lane roadway to a divided four-lane highway. The project is using federal funds from the Minnesota Highway Freight Program (2020) and the Dakota County Transportation Sales and Use Tax Transportation Improvement Program. Project design started in 2018 and construction is expected to complete in 2022. This will greatly improve a major transportation hub through Lakeville's industrial park.

The City Council approved an orderly annexation agreement between Lakeville and Eureka Township to annex the remainder of Airlake Airport property in 2019. This annexation was requested by the Metropolitan Airports Commission (MAC). As a result of this annexation, City water and sewer infrastructure has been extended to serve the entire airport and several new proposed private hangars were constructed in 2020. As of late 2020, 12 of the 21 new hangar pads were leased or reserved.

The City predicts another busy development year in 2021. Multiple projects are in the development pipeline, including a new 25,000-square-foot Summit Orthopedics location, several industrial park projects, and Amazon's 750,000-square-foot-facility should open in fall 2021.

For more information about what's happening in the City of Lakeville, sign up for the [Thrive! Newsletter](#) and check out our interactive development map at LakevilleMN.gov/developmentmap.

David Olson
Community & Economic Development Director

dolson@lakevillemn.gov
www.lakevillebusiness.com