



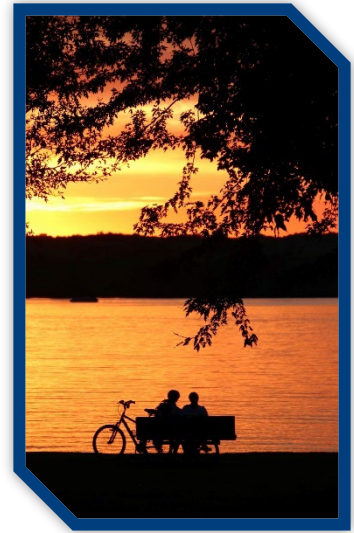
Positioned to Thrive



2025 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.*

High Quality Education *We value and are committed to high quality education that sets us apart.*

Safety throughout the Community *We value living in a community where people feel safe everywhere they go.*

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 openness to others, and we honor the traditions and institutions that have made us the community we are today.*

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.*

Access to a Multitude of Natural Amenities and Recreational Opportunities *We value widespread access to nature, the outdoors, and all types of recreational opportunities.*

Good Value for Public Services *We value high quality public services delivered cost-effectively.*

Lakeville Demographics

Population: 77,971*

Population increase since 2020: 12.2%*

Daytime Population: approx. 57,150*

Median Household Income: \$138,119*

Median Home Value: \$468,000^^

Median Age: 36.1*

Unemployment in Lakeville: 3.2%**

Number of Businesses in Lakeville: 1,593^

Number of Jobs in Lakeville: 21,298^

ISD 194 Student Enrollment: 12,024***

Lakeville is the largest city in Dakota County, 7th largest in the metro and 9th largest in Minnesota.^^^

*U.S. Census Bureau

***Lakeville Area Schools, ISD 194

^MN DEED, Quarterly Census of Employment and Wages

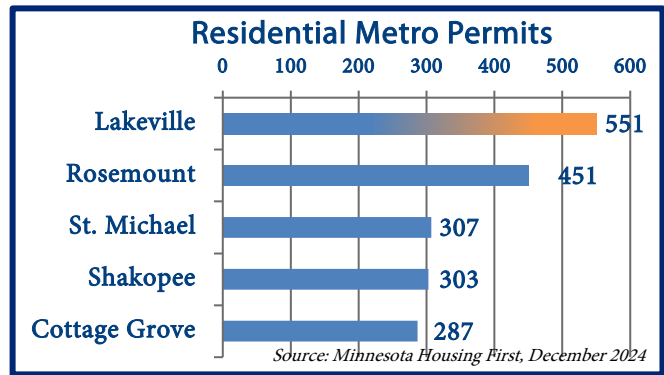
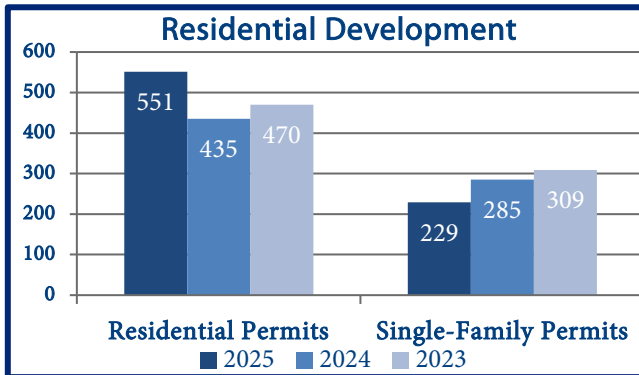
**MN DEED, Local Area Unemployment Statistics

^^ Dakota County

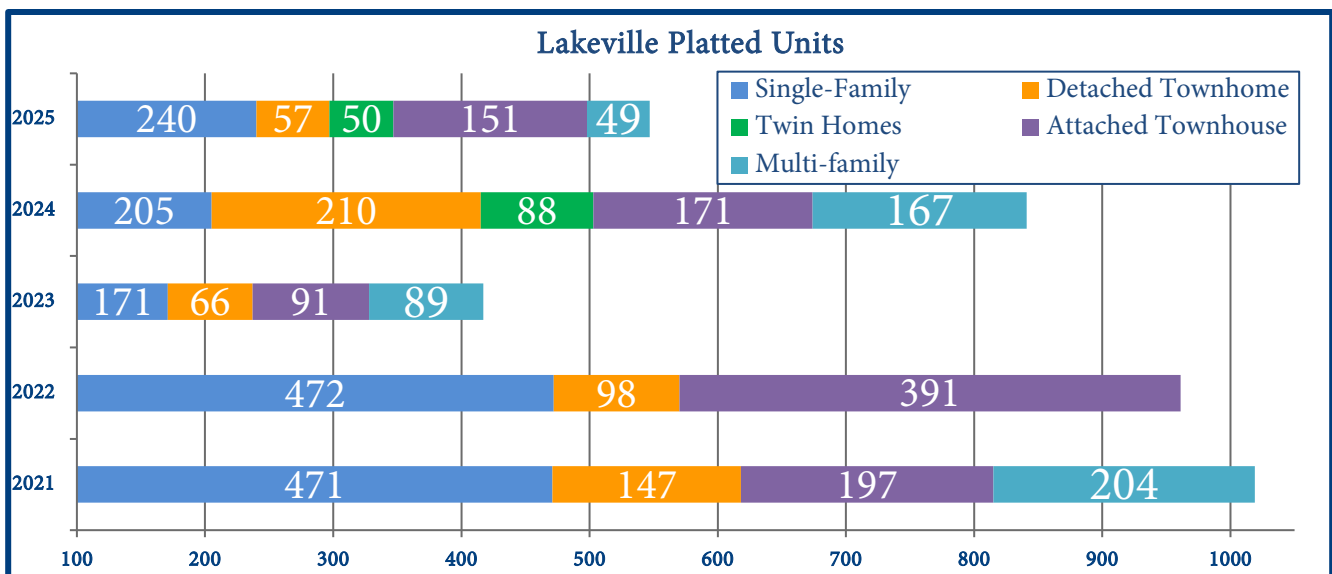
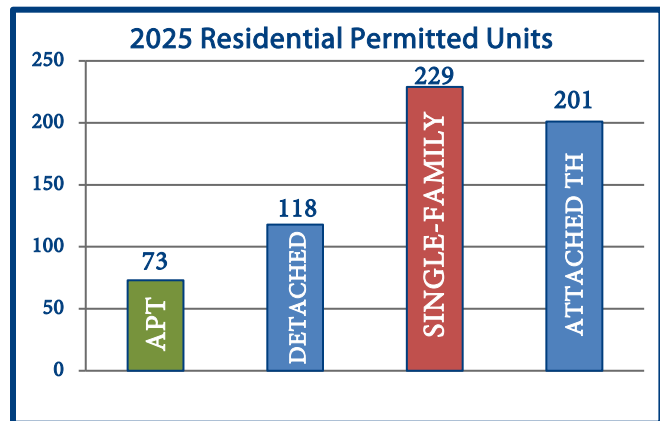
^^^Metropolitan Council

Residential Growth

The City of Lakeville experienced a busy year of development activity in 2025, issuing building permits with a total valuation of \$381,162,334 – a 47.9% increase over 2024. The City issued 551 residential permits this year and 229 of those were single-family homes. The average building permit value on a 2025 single-family home was \$349,610. Lakeville ranked first in the Minneapolis-St. Paul metropolitan area for residential permits, followed by Rosemount, St. Michael and Shakopee. Lakeville ranked #1 in the metro from 2013-2022 and 2025, and #2 from 2023-2024.



In 2025, the City issued 118 detached and 201 attached townhome permits and 3 multi-family (73 units) permits. **Kenyon Green** (49-unit workforce apartment & 15 rental townhomes) received final plat approval in 2025 and started apartment construction. **Wildwood Lakeville** (9 single-family lots and 167 townhome units in nine buildings) was issued several building permits in 2025 to begin construction on the clubhouse and two townhome buildings (24 total units).



Commercial and Office Development

The private sector invested \$111.3 million into commercial and industrial park development in Lakeville in 2025 and the largest permitted project was the Dakota Electric Association's Energy Center, valued at \$47.8 million.

New Businesses and Business Milestones

- **Mr. Handyman**
 - The new business held a ribbon cutting ceremony on January 14 to celebrate offering handyman home improvements, maintenance and repairs in the Lakeville and Shakopee area.
- **Salvation Army Thrift Store**
 - The new store opened in March at 17625 Kenrick Avenue in the former Goodwill location.
- **Thompson Watch Repair**
 - The new business opened in March at 16285 Ipava Avenue and specializes in servicing vintage mechanical and quartz watches.
- **UrgentVet**
 - The pet clinic opened in March at 17698 Kenwood Trail and provides urgent after-hours care for cats and dogs.
- **The Farmer's Cellar**
 - The new speakeasy opened in April at 8333 210th Street West, near downtown Lakeville and is adjacent to the Farmer's Grandson Eatery.
- **Tareen Dermatology**
 - The new business held a ribbon cutting ceremony on May 7 at 17305 Cedar Avenue, Suite 230 and provides general dermatological medical services, as well as select cosmetic treatments.
- **Sala Thai Kitchen**
 - The new restaurant opened in June at 17671 Glasgow Avenue and serves authentic Thai cuisine for dine-in or carry-out.
- **Board & Brush**
 - The business held a ribbon cutting and open house at 20770 Holyoke Avenue on June 10 to celebrate its new ownership. The business hosts do-it-yourself workshops for custom wood signs and home décor pieces.
- **Midwest Ear, Nose & Throat Specialists**
 - The new clinic held an open house on June 18 at 11020 161st Street West and offers a wide variety of services, including ENT, allergy, asthma and hearing care.
- **Frandsen Bank & Trust**
 - The bank, located at 7303 161st Street West, held a grand re-opening and ribbon cutting ceremony on June 26 to celebrate completion of the branch location's interior remodel.
- **Downtown Bicycles**
 - The new business held a ribbon cutting celebration on July 22 at 9057 203rd Street West and carries a wide variety of bikes and accessories and offers repair services.



- **Legit Cannabis**
 - The mezzobusiness has registered with the City of Lakeville and is awaiting a license from the MN Office of Cannabis Management (OCM). A building permit was issued in July to remodel the tenant space at 16000 Cedar Avenue into a cannabis dispensary.
- **Green Box Cannabis**
 - The cannabis microbusiness has been licensed by the MN Office of Cannabis Management (OCM) and has registered with the City of Lakeville. A building permit was issued in August 2025 for a tenant finish at 16350 Kenrick Loop, Suite C.
- **Donut Star**
 - The donut shop held a ribbon cutting ceremony on August 21 at 7656 160th Street West to celebrate its new ownership.
- **Windy Willow Preschool**
 - The preschool was issued a building permit in May to expand its classroom space and completed that construction in August.
- **The Study Station**
 - The new business provides personalized K-5 math and literacy tutoring and hosted its second 2025 ribbon cutting ceremony on September 3 to celebrate opening in its new and expanded location at 21486 Humboldt Court #200.
- **Charged Rehab + Fitness**
 - The gym and wellness facility held a ribbon cutting ceremony on September 11 to celebrate opening in its new location at 20168 Heritage Drive. The business offers personal training, Interactive Neuromuscular Stimulation and more.
- **Midwest Facial Plastic Surgery**
 - The medical office hosted a grand opening on September 25 to celebrate its newest MedSpa and clinic at 11020 161st Street West in the same building as Midwest Ear, Nose & Throat Specialists.
- **Best Brains Learning Center**
 - The new business specializes in teaching students ages 3 to 14 math, English, abacus and coding and held a ribbon cutting ceremony on September 26 to celebrate opening at 17600 Cedar Avenue.
- **Children's Dental Care**
 - The clinic held a ribbon cutting celebration on October 13 to celebrate its 2,571-square-foot addition and remodel at 17677 Cedar Avenue. The business offers pediatric dental and orthodontics services.
- **Tropical Smoothie Café**
 - The new restaurant was issued a building permit in October to remodel 17685 Kenwood Trail. The business opened in December and serves smoothies and a variety of food options.
- **Balanced Kids and Home & Healing LLC**
 - A ribbon cutting was held for these two new home occupation businesses during the Lakeville Chamber of Commerce Women's Symposium on November 12.



- **Wild Things Indoor Playground**

- The new business offers an indoor jungle-inspired play space for kids ages 0-12 and held a ribbon cutting ceremony on November 14 to celebrate opening at 20450 Kenrick Avenue, Suite 100.



- **Rose Yarn Co**

- The business held a ribbon cutting ceremony on November 21 to celebrate opening in its new, larger location at 7608 160th Street West. RYC sells yarn and related supplies and hosts classes.

- **Ivy Lane Boutique**

- The new boutique offers women's clothing, home décor and gifts and held a grand opening celebration on November 21 at 17701 Kenwood Trail.

- **GVT Tire & Auto**

- The business opened in November at 17567 Cedar Avenue in the former Pep Boys location and offers auto repair and tire services.

- **Never Sleep Athletics**

- The basketball skills training facility hosted a grand opening celebration on November 30 at 21021 Heron Way, Suite 104.



- **Ensemble Creative & Marketing**

- The business held a ribbon cutting ceremony on December 4 to celebrate its move to 18466 Kenyon Ave, Suite 100. Ensemble provides branding, web design, print design and video services.

- **Pickle in the Middle**

- The new business offers 15 pickleball courts available for play 24 hours a day, seven days a week and opened in late December at 21300 Juniper Way.

- **Lake Point Gymnastics**

- The new gymnastics training center opened in December at 21017 Heron Way, Suite 101.

Under Construction in 2024

- **Life Time**

- The business was issued a building permit in August to remodel and refresh its facility, located at 18425 Dodd Boulevard.

- **Club Pilates**

- A second Club Pilates location was issued a building permit in September to remodel the tenant space at 20137 Idealic Avenue.

- **Metropolitan Pediatrics**

- The new pediatric clinic was issued a building permit in October to remodel the second-floor tenant space at 20520 Keokuk Avenue.

- **Grow Pediatrics**

- The new clinic hosted a groundbreaking ceremony on November 18 to kick off construction of its 9,205-square-foot building at 5378 160th Street West. When complete, the business will provide pediatric medical care, including comprehensive physicals and urgent care.



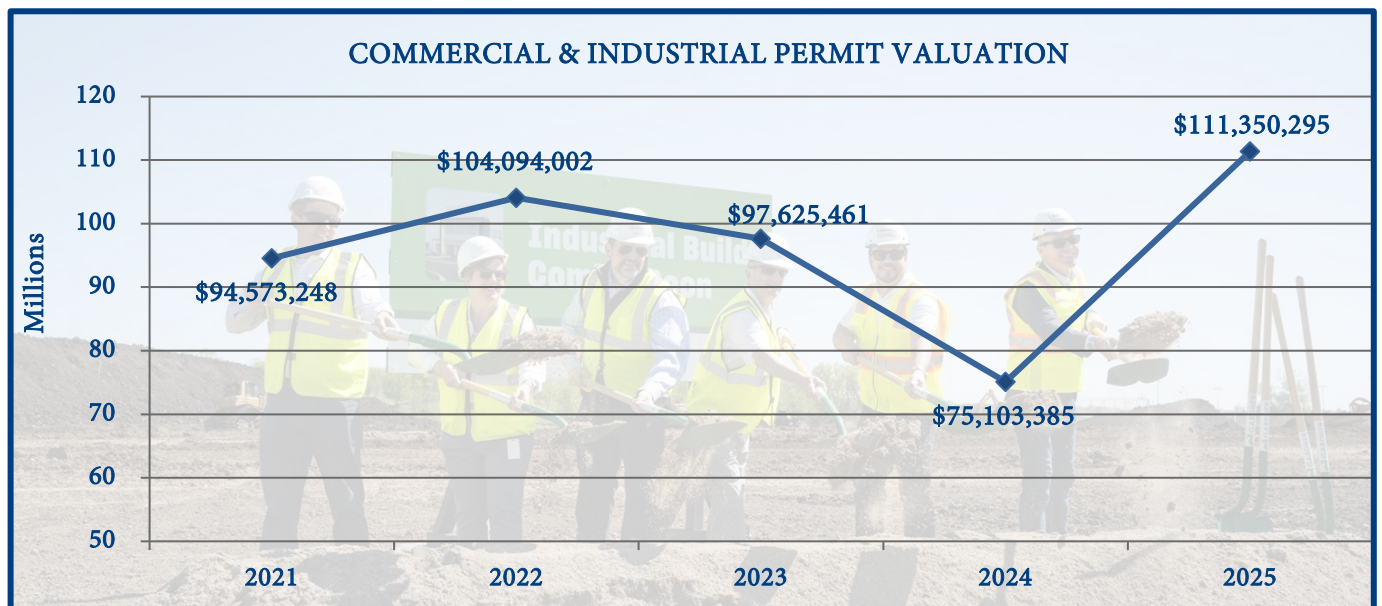
- **Brianno's Chart House**

- The restaurant was issued a building permit in November to tear down the existing detached bar building and construct a new 2,660-square-foot seasonal patio bar.

- **Sandsted Wellness**
 - The new mental health center was issued a building permit in November for a tenant remodel of the existing second floor space at 20855 Kensington Boulevard.
- **Lakeville Family Pet Clinic**
 - The business held a groundbreaking ceremony on December 16 to kick off construction of its new two story, 9,030-square-foot animal clinic to be located at 7275 175th Street West.
- **Chase Bank**
 - The bank was issued a building permit in December for the construction of its new 3,395-square-foot office building to be located at 20176 Idealic Avenue.

Approved in 2024

- **Kenrick Corner Second Addition**
 - A final plat application was approved in March for a 9,600-square-foot commercial building at 20450 Kenrick Avenue. The building received its certificate of occupancy in December.
- **Heritage Commons 10th Addition**
 - The project received approval of a preliminary plat application and conditional use permit in July for two convenience restaurants proposed on Lot 1.
- **Marketplace at Cedar**
 - The project received final plat approval in October and proposes nine commercial lots to be located south of 179th Street West, east of Cedar Avenue and west of Glacier Way. Construction on the site is expected to begin in Spring 2026.
- **Taco Bell**
 - In October, the City Council approved a conditional use permit to allow the construction of a Taco Bell with a drive-thru service window in the Marketplace at Cedar development.
- **Mister Car Wash**
 - In November, a conditional use permit for Mister Car Wash received approval to be constructed in the Marketplace at Cedar development.



Industrial Park Development

Lakeville 35 Logistics Center

- 189,678-square-foot warehouse
- Groundbreaking in May, opened in December
- First tenant is Pickle in the Middle

Likewise
Partners



Dakota Electric Association

- 176,685-square-foot office/warehouse facility with outdoor storage
- Groundbreaking in June
- DEA Energy Center will be the company's new headquarters



NPL Construction

- 11,500-square-foot office/warehouse building
- Issued a building permit in October
- Located immediately east of NPL's current location



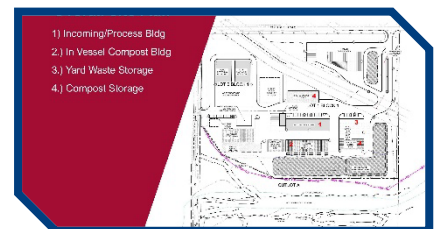
Midwest FlexSpace

- 98 garage condominium spaces across three buildings
- Condo spaces can provide storage options for large items or flex space for small businesses



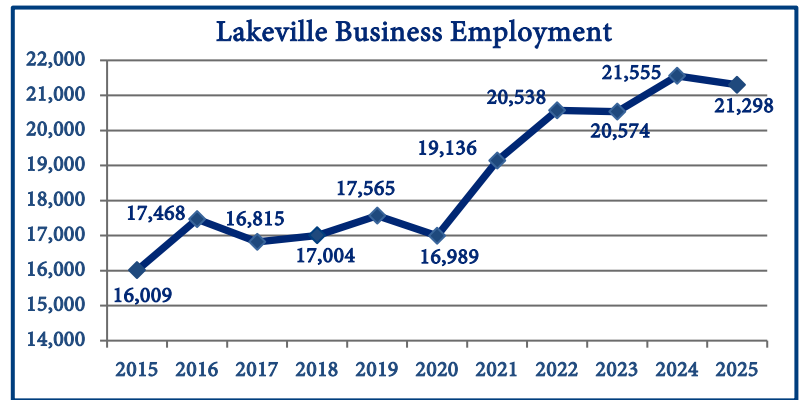
Dakota Waste Solutions

- Food waste and wood recycling and composting facility
- Preliminary plat and PUD approved in December
- Will be located just south of the current operation



Lakeville Business Employment

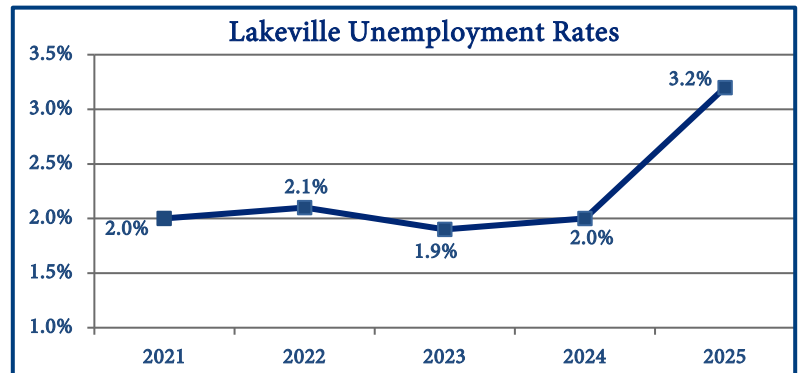
The number of jobs in Q3 of 2025 was 21,298 - a 33% increase in the last decade. Lakeville continues to have steady increases in employment and positive annual business growth.



Source: Minnesota Department of Employment and Economic Development, Quarterly Census of Employment and Wages. Data from Q3 of each year.

Unemployment

In December 2025, Lakeville's unemployment rate was 3.2%. In comparison, Dakota County's unemployment rate for the same period was 3.8%, Minnesota's was 4.1%, and the United States' unemployment rate was 4.4%.



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

Department Accomplishments

The City of Lakeville launched a Business Retention & Expansion (BRE) program, in partnership with the Lakeville Economic Development Commission and Lakeville Chamber of Commerce, in February 2025. The formation of a BRE program was identified as a strategic priority in the Economic Development Strategic Plan 2024-2028. The goal of the program is to strengthen existing relationships and foster new ones with the Lakeville business community.

Lakeville received recognition during the 2025 Dakota-Scott Workforce Development Board Awards Celebration in December. Congratulations to MNGI Endoscopy of Lakeville for receiving the Bob Killeen Award, which recognizes individuals or companies for their innovative or quality practices; and Kati Bachmayer, City of Lakeville Economic Development Manager, for receiving the Mark McAfee Friend of Workforce Development Award, which is presented to an individual who has championed workforce issues at the local, state or federal level.

Looking Ahead

Compass Rail received City Council approval for its annexation petition, comprehensive plan and zoning map amendments in 2025. This project is a partnership between Compass Rail, Progressive Rail and the City of Lakeville to develop a rail car storage facility that shifts that activity from residential neighborhoods to the industrial park.

Community Development staff will begin the 2050 Comprehensive Plan process in 2026. The 2050 Comprehensive Plan update will play a critical role in guiding Lakeville’s next phase of growth and reinvestment while maintaining community character and fiscal sustainability. A planning consultant team will be secured in early 2026 and the project is anticipated to take approximately 12–18 months.

Over 100 acres are still available for commercial development in the city, including property near Hy-Vee grocery store on Pilot Knob Road, property near the Holiday Inn off I-35 and County Road 70, and Heritage Commons on County Road 50 and Dodd Boulevard. And more than 500 acres of industrial land are available for development, including sites in Interstate South Logistics Park (off County Road 70 and Dodd Boulevard) and Launch Park (off Cedar Avenue and 220th Street West). Learn more at LakevilleBusiness.com/BusinessZoningMap.

To stay up to date on what’s happening in the City of Lakeville, sign up for the [Thrive! Newsletter](#), check out our interactive development map at LakevilleBusiness.com/developmentmap and follow the City of Lakeville on social media.

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