

Planning Commission
Date: 6/8/09
Economic Development Recommendations
Business Item
Item: 5a

ITEM: Request to Develop Recommendations on City Activities related to Economic Development

SUBMITTED BY: Kyle Klatt, Planning Director

REVIEWED BY: Kelli Matzek, City Planner
Craig Dawson, Interim City Administrator

SUMMARY AND ACTION REQUESTED:

The City Council has asked the Planning Commission to develop recommendations regarding the types of activity the City might begin to undertake in terms of economic development. Specifically, the Council adopted a motion as follows:

- 1) Motion to direct the Planning Commission to identify what activities the City should undertake in terms of economic development and to identify what commercial uses and standards for sustainable commercial development should be permitted in the City.

In order to help the Commission provide a response back to the Council, Staff will be suggesting some of the issues that the City will may need to address in the future related to economic development, but will first provide a brief overview of why economic development could be relevant to Lake Elmo.

BACKGROUND:

The term “economic development” is used to describe many different activities within a city; however, it is often associated with an entity whose mission is the attraction and retention of good jobs within a community. Beyond this basic function, economic development can also be used to describe efforts to improve the business climate in a community, work to enhance the appearance of commercial areas, the undertaking of redevelopment activities, the promotion and marketing of an area or region, and other activities that support business activity. There are many different models that cities and other governmental agencies have used to formalize economic development activities within a community, which often includes the establishment of an economic development authority. From an organizational perspective, an economic development board can be staffed by a separate entity or combined with other functions, and is most commonly associated with a planning or community development department.

The City Council, as part of a recent discussion on economic development, has asked for feedback from the Planning Commission regarding the activities that the City should be undertaking with regards to economic development. This consideration does not necessarily assume that the City should establish an economic development board, although that may be a recommendation from the commission. In reviewing the City’s long range planning efforts, there are several planning documents that would be appropriate to reference when discussing economic development, including:

- 1) *The Comprehensive Plan and future land use map.* The City’s long range plan for the area south of 10th Street devotes a large area near the intersection of Manning Avenue and Interstate 94 for future use as a business park with an employment density of 40 employees per acre. The Plan also makes reference to the Memo of Understanding between the City and the Metropolitan Council in which the City has agreed to provide sewer service for 14,000 employees within the

community (1,400 total employment REC units). The bulk of these employment REC's would be located within the new business park.

- 2) *The Village Area Master Plan.* One of the guiding principles in the Village Master Plan was the preservation of the existing downtown and the mix of residential and commercial uses that currently exists. The Plan also calls for new mixed-use development and other public/semi public development with the intention of creating a central core around which residential uses would be located. There are many existing businesses within the Village that provide services and jobs for the residents of Lake Elmo.
- 3) *Planned Developments at Eagle Point, Prairie Ridge, and other existing commercial areas.* In addition to Eagle Point Business Park, there are several other existing commercial areas within the City that are zoned for commercial, office parks, or limited commercial development. Within these areas there is either an existing base of office, retail, and other commercial development or there are existing buildings and parcels that have yet to be occupied by a business entity. Future uses within these developments will need to conform to the standards of the City's land use regulations.
- 4) *Agriculture and agricultural sales.* As an element of Lake Elmo's rural character, there are many existing farms and retail agriculture operations that contribute to the overall character of the City. These uses provide services and products (a to a lesser extent jobs) to the residents of Lake Elmo.
- 5) *Non-conforming business uses.* There are several business in the community that are non-conforming with regards to the City's zoning regulations and future land use planning. Many of these sites are slated for redevelopment into a different use at some point in the future.

Many communities have developed a specific section in their comprehensive plans that focus on economic development. For instance, the City of Stillwater has prepared a plan that contains the City's goals and objectives for economic development, describes the economic background of the community (information on employees, the workforce, income and other variables), and a summary of the development tools available to promote the City's objectives. One of the ultimate goals behind the creation of an economic development entity in a community is to help maintain the quality of life in a place while maintaining a diverse and vibrant economy.

RECOMMENDED DISCUSSION TOPICS:

Based partially on the above discussions concerning Lake Elmo's long range plans, the Planning Commission should consider the issues that will need to be addressed in the future that likely fall under the definition of economic development. The intent of the list below is to help the Commission begin thinking about the issues that will need to be considered by the City as it works towards implementation of its Comprehensive Plan. Some of the issues that Staff has identified include the following (please note that these issues are being phrased in a way that provides a response to the Council's initial request for the types of activities the City might begin to undertake; they are staff ideas, not recommendations):

- 1) Creating an economic development plan as a component of the Comprehensive Plan.
- 2) Determining the types of business that will be appropriate for Lake Elmo and that are most compatible with the City's objectives of maintaining its rural character.
- 3) Identifying where commercial activity should take place within the parameters of the future land use plan and where this activity would be most beneficial to the residents of the community.
- 4) Establishing the role that retail will play in the City's business areas, and how to help promote the retention and/or creation of retail activity that will serve the needs of residents.

- 5) Figuring out how to provide services to businesses in the most efficient manner possible.
- 6) Addressing whether or not the City should be actively promoting the community and attracting businesses into the community.
- 7) Maintaining the character of the Village Area, including the mix of residential and commercial uses that presently exist.
- 8) Meeting the needs of the residents that live and employees that work in the City of Lake Elmo, i.e. providing services to support these people.
- 9) Conducting market studies to help determine what types of business activities could be supported by the community.
- 10) Helping the City Council develop an action plan to accomplish the objectives for employment by 2030 as stated in the Comprehensive Plan.
- 11) Promoting the preservation of a rural/agricultural economy and the City's connections to its rural heritage.
- 12) Assisting with efforts to encourage alternative modes of transportation to ensure residents and businesses are not unduly burdened by long commutes and traffic problems.
- 13) Acting as an agent for the acquisition and development of property for public purposes, including the planned community center within the Village area.
- 14) Providing financing options for the City and private entities to accomplish the goals and objectives that have been established for commercial areas.
- 15) Helping the City develop areas with "high density" jobs with an employment base of 40 employees per area in the planned business park at the intersection of Manning Avenue and Interstate 94.
- 16) Working within a revised organizational chart that incorporates the broader function of community development into the City's structure.
- 17) Developing a master plan for the I-94 business park.

The second part of the Council's request of the Planning Commission is to consider what commercial uses and standards for sustainable commercial development should be permitted in the City. Some suggested standards are listed below for discussion by the Commission:

- 1) Projects should follow sustainable development practices:
 - a. Buildings should be designed for long-term use.
 - b. New structures should minimize their environmental footprint.
- 2) New buildings should embrace LEED standards.
- 3) Natural materials should be given preference to alternative designs.
- 4) Buildings should reflect Lake Elmo's rural character.
- 5) Access management should be used to minimize traffic impacts.

- 6) Businesses should be promoted that achieve a high level of employment density.
- 7) Commercial activities should be compatible with surrounding land uses.
- 8) Mixed-use development should be promoted in the Village area.
- 9) Commercial uses and buildings that cater to automobile traffic alone in the Village area should be discouraged.
- 10) Form-based zoning is preferable to standard ordinances that only specify minimum requirements.
- 11) Existing architecture and design should be considered within new development.

The intent of the two lists above is to help the Planning Commission begin to formulate a response to the Council's request and to provide some direction for additional discussion at the meeting. It is expected that there will be ongoing discussions on this topic, and that this matter will likely come back to the Planning Commission before any comments from the Commission are passed on to the City Council.

ADDITIONAL INFORMATION:

- The draft version of Stillwater's draft economic development plan is attached for review by the Planning Commission. There are obvious differences between Stillwater and Lake Elmo, therefore this plan is intended only to give the Commission a better idea of what other communities have been doing with regards to economic development.

RECOMMENDATION:

Staff is recommending that the Planning Commission review the information that has been provided to the Commission and to begin working towards a response to the City Council's request.

ATTACHMENTS:

1. City of Stillwater Economic Development Plan (draft version)

ORDER OF BUSINESS:

- Introduction and Presentation by Staff Kyle Klatt, Planning Director
- Questions from the Commission Chair & Commission Members
- Planning Commission Discussion Chair Facilitates
- Action by the Planning Commission Chair & Commission Members