



The Lake Elmo Economic Development Authority (EDA) is committed to preserving and enhancing our community by creating an attractive business climate and listening to businesses and residents to prepare for the economy of tomorrow.

NOTICE OF MEETING

City of Lake Elmo Economic Development Authority Meeting

**3800 Laverne Avenue North
Tuesday, February 21, 6:00 PM**

AGENDA

- | | |
|--------------------------------------------------------------------------------------|------------------|
| A. Call to Order | 6:00 p.m. |
| B. Minutes | |
| November 15, 2022 Minutes | 6:00p.m. |
| C. Election of Officers | 6:05p.m. |
| 1. President | |
| 2. Vice President | |
| 3. Secretary | |
| 4. Treasurer | |
| 5. Assistant Treasurer | |
| D. Business Retention and Expansion Survey Updates
 and Interim Report | 6:15p.m. |
| E. 2023 Meeting Schedule | 6:45p.m. |
| F. Future Agenda Items/Reports | 6:50 p.m. |
| -Next Meeting May 16, 2023 | |
| *Land Sale Proposals | |
| *BRE Updates | |
| G. Adjourn | 6:55 p.m. |

**CITY OF LAKE ELMO
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
November 15, 2022**

Call to Order/Roll Call

Vice President Tony Manzara called the meeting to order at 6:02pm.

PRESENT: Jeff Holtz, Charles Cadenhead, Ninna Waldoch, Linda Larson and Tony Manzara.

ABSENT: Paul Ryberg

Staff Present: City Administrator Handt

August 16, 2022 Minutes:

Motion to approve the August 16, 2022 minutes by Holtz, seconded by Waldoch. Motion passed.

Solar Farm on City Landfill Property

Evan Carlson of Enterprise Energy addressed the commission and discussed the process to place a solar installation on city land near the old landfill site on Jamaca Ave. He shared images from his website enterpriseenergy.com. He shared the 10 acre site on the north is ideal because it is near phase 3 power, in Xcel's territory and a brownfield site which provides additional financial benefits from the federal government. Current state law limits community solar to 1 megawatt but that may change. Notices from MPCA and an interconnection agreement with Xcel would be the focus after signing a land lease with development rights for 5 years then 25 years of operation that are allowed under the current state program.

Business Retention and Expansion Survey Updates and key findings to deliver to City Council

Commission discussed options for moving forward including sharing a report with businesses, meeting with council and an interim report with summary highlights. Commission discussed what they saw as the highlights: signage, the process to get permits or explanation of denial and website updates to be more user friendly.

Motion by Cadenhead, seconded by Manzara to put out an interim report with summary highlights. Motion passed.

Annual Review of Work Plan

Commission reviewed the current work plan and discussed possible changes. It was noted solar farm may fall into the third goal identified for 2024.

Motion by Holtz, seconded by Cadenhead to recommend keeping the current work plan as is with continuing the BRE into 2023 and rework goal 2 to reflect the county is doing a labor market survey so the city won't need to hire one in 2023. Motion passed.

Future Agenda/Reports

The next meeting will be Tuesday, February 21, 2023 at 6pm. Agenda topics will include the interim report on the BRE.

Adjourn

Motion by Holtz, seconded by Larson to adjourn at 7:01pm.

Respectfully Submitted,
Kristina Handt



STAFF REPORT

DATE: February 21, 2023

REGULAR

AGENDA ITEM: Election of Officers

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

Per the bylaws of the EDA, some officers of the Authority, such as the President, Vice-President and Treasurer, shall be members of the board and elected annually. The Secretary and Assistant Treasurer need not be members of the Board.

The officers last elected in May 2022 were:

President: Paul Ryberg
Vice President: Tony Manzara
Secretary: Kristina Handt
Treasurer: Ninna Waldoch
Assist. Treas.: Kristina Handt

ISSUE BEFORE COMMITTEE:

Who should be elected to each officer position?

PROPOSAL DETAILS/ANALYSIS:

Any members of the EDA may be appointed to any of the officer positions. In addition, it is possible to appoint a non-board member (i.e. staff) to be Secretary and/or Assistant Treasurer.

Current members of the EDA are Charles Cadenhead, Jeff Holtz, Nina Waldoch, Tony Manzara and Paul Ryberg.

RECOMMENDATIONS:

“Motion to appoint _____ as President.”

“Motion to appoint _____ as Vice President.”

“Motion to appoint _____ as Treasurer.”

“Motion to appoint Kristina Handt as Secretary and Assistant Treasurer.”

ATTACHMENT:

- Bylaws of the Economic Development Authority of the City of Lake Elmo, Minnesota

BYLAWS OF THE ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF LAKE ELMO, MINNESOTA

ARTICLE I – THE AUTHORITY

Section 1. Name of Authority. The name of the Authority shall be the “Economic Development Authority of the City of Lake Elmo, Minnesota” (which may sometimes be referred to as the “EDA” or the “Authority”, and its governing body shall be called the Board of Commissioners (the “Board”). The Board shall be the body of responsible for the general governance of the Authority and shall conduct its official business at meetings thereof.

Section 2. Seal of Authority. As required by Minnesota Statutes, Section 469.096, Subdivision 1, the Authority shall have an official seal, which shall be in the form depicted on Exhibit A.

Section 3. Office of Authority. The offices of the Authority shall be the Lake Elmo City Hall.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Authority shall be a President, a Vice-President, a Treasurer, an Assistant Treasurer, and a Secretary. The President, Vice-President, and the Treasurer shall be members of the Board and shall be elected annually, and no Commissioner may be both President and Vice-President simultaneously. The Assistant Treasurer and Secretary need not be members of the Board.

Section 2. President. The President shall preside at all meetings of the Board. Except as otherwise authorized by resolution of the Board, the President and Secretary (the Vice-President, in the Secretary’s absence or incapacity) shall sign all contracts, deeds and other instruments made or executed by the Authority, except that all checks of the Authority shall be signed by the Treasurer and Assistant Treasurer. At each meeting the President shall submit such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Authority.

Section 3. Vice-President. The Vice-President shall perform the duties of the President in the absence or incapacity of the President; and in case of the resignation or death of the President, the Vice-President shall perform such duties as are imposed on the President until such time as the Board shall select a new President.

Section 4. Secretary. The Secretary shall keep minutes of all meetings of the Board and shall maintain all records of the Authority. The Secretary shall also have such additional duties and responsibilities as the Board may from time to time and by resolution prescribe.

Section 5. Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the Authority in such bank or banks as the Board may select. The Treasurer and Assistant Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such moneys under the direction of the Board. The Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Board, at least annually (or more often when requested), an account of such transactions and also of the financial condition of the Authority. The Treasurer shall post a bond as required by Minnesota Statutes, Section 469.096, Subdivision 6. The Assistant Treasurer shall act as the Treasurer's agent and assistant to perform the above-described duties, subject to the Treasurer's approval thereof.

Section 6. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the Board or the bylaws or rules and regulations of the Authority.

Section 7. Vacancies. Should the office of President, Vice-President, Treasurer, Assistant Treasurer or Secretary become vacant, the Board shall elect a successor at the next regular meeting, or at a special meeting called for such purpose, and such election shall be for the unexpired term of said officer.

Section 8. Additional Personnel. The Board may from time to time employ such personnel as it deems necessary to exercise its powers, duties, and functions. The selection and compensation of such personnel shall be determined by the Board.

ARTICLE III – MEETINGS

Section 1. Regular Meetings. The regular meetings of the Board shall occur according to a meeting schedule, if any, adopted or revised from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board may be called by the President or any two members of the Board for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered at any time prior to the time of the proposed meeting to each member of the Board or may be mailed to the business or home address of each member of the Board at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the call, but if at least four members of the Board are present at a special meeting, any and all business may be transacted at such special meeting. Notice of any special meeting shall be posted and/or published as may be required by law.

Section 3. Quorum. The powers of the Authority shall be vested in the Board. Three Commissioners shall constitute a quorum for the purpose of conducting the business and exercising the powers of the Authority and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Board upon a vote of a majority of the Commissioners present.

Section 4. Order of Business. At the regular meetings of the Board the following shall be the order of business:

1. Roll Call.
2. Approval of the minutes of the previous meeting.
3. Bills and communications.
4. Reports.
5. Unfinished business.
6. New business.
7. Adjournment.

All resolutions shall be written or transcribed and shall be retained in the journal of the proceedings maintained by the Secretary.

Section 5. Adoption of Resolutions. Resolutions of the Board shall be deemed adopted if approved by not less than a simple majority of all Commissioners present, unless a different requirement for adoption is prescribed by law. Resolutions may but need not be read aloud prior to vote taken thereon and may but not need be executed after passage.

Section 6. Rules of Order. The meetings of the Board shall be governed by the most recent edition of Robert's Rules of Order.

ARTICLE IV – MISCELLANEOUS

Section 1. Amendments to Bylaws. The bylaws of the Authority shall be amended only by resolution approved by at least three of the members of the Board.

Section 2. Fiscal Year. The fiscal year of the Authority shall coincide with the fiscal year of the City of Lake Elmo, Minnesota.

Adopted on _____, 2013.



STAFF REPORT

DATE: February 21, 2023

REGULAR

AGENDA ITEM: Business Retention and Expansion Survey Updates and Draft Memo to Council

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

Conducting a Business Retention and Expansion Survey (BRE), has been identified as the top goal for the EDA for 2022 and 2023. The EDA finalized the survey questions and decided to begin by meeting with businesses in the Old Village area last year. At the August meeting, it was decided to move on to contacting businesses south of 10th St between Inwood Ave and Keats Ave. Also at the August meeting, the commission discussed identifying their key findings and providing an update to the city council or having a joint meeting with them. At the November 2022 meeting the commission gave direction to put together an interim report and summary highlights to share with council.

ISSUE BEFORE COMMITTEE:

What feedback do members have from their business visits since November? What changes would you like to see to the Informational Memo to Council?

PROPOSAL DETAILS/ANALYSIS:

A draft informational memo to the council is included in the packet. It includes a brief background then the three key items the commission noted at the last meeting along with supporting comments from the surveys. I also added possible future action steps as a way to start throwing out ideas of how we might respond to some of the concerns at a high level.

I have not received any business survey updates from commissioners since last fall. I noted we were going to continue doing them in 2023. If that has changed, we should think about updating that reference. If you have done some and I just haven't received them as of this writing, we can talk about them at the meeting.

RECOMMENDATIONS:

Provide direction on changes to the draft document and next steps

ATTACHMENT:

- Informational Memo to Council (with attachments noted)



The Lake Elmo Economic Development Authority (EDA) is committed to preserving and enhancing our community by creating an attractive business climate and listening to businesses and residents to prepare for the economy of tomorrow.

Informational Memo

To: Lake Elmo Mayor and City Council

From: Lake Elmo Economic Development Authority

BACKGROUND:

The highest priority goal for the Lake Elmo Economic Development Authority in their 2022-2024 Work Plan was:

Develop strong relationships with existing businesses and explore options for a Business Retention and Expansion (B,R&E) Program.

With the assistance of Washington County CDA staff, a list of Lake Elmo businesses was developed, reviewed, and organized into different sections by geography-Old Village, North of 10th St outside of the village and the following sections south of 10th St.: Inwood Ave to Keats Ave, Keats Ave to Lake Elmo Ave, and Lake Elmo Ave to Manning Ave.

The EDA then began reaching out to businesses first in the Old Village area (also picking some of those north of 10th) and in the third quarter of 2022 began reaching out to those in the Inwood Ave to Keats Ave section.

Information was posted shared through the FRESH newsletter and social media. Each commissioner had a goal of visiting 2 businesses each month in teams of two commissioners. Prior to beginning the outreach each commissioner was provided with a copy of the survey questions and guidelines for visits.

While the commissioners gathered information from business owners/representatives, the main goal was to start creating relationships and thanking businesses for being in Lake Elmo.

SUMMARY OF KEY FINDINGS:

In 2022, commissioners complete BRE surveys for 13 businesses in the Old Village and westward. A copy of the responses is also attached to this report. We tried to respect businesses privacy in order to get honest feedback and so have not included any names.

Some of the highlights/themes of the response the commission discussed at their November 15, 2022 meeting and would like to bring to the Council's attention include those around signage, the process to get permits or an explanation of denial, and website updates to be more user friendly.

Signage comments from the surveys include:

- *signage regulations are illogical and very limiting*
- *Some more prominent signage may be helpful but regulations are limiting*
- *better signage would enable some people to recognize the business location and come back later*
- *They would like to see a more flexible rule for business signage - perhaps seasonal installation of a suitable sign?*
- *would like to be able to set up small lighted signs to direct the incoming and outgoing traffic in the evenings from Thanksgiving to Christmas but the regulation does not allow such signage.*
- *They would like to improve the signage for their location to make the business more visible, but understand that LE is very restrictive in that regard.*
- *Signage right off the main road before the entrance*
- *improve the signage regulations to allow more useful signs.*
- *It would be good if the City could relax the requirements for signage on businesses. It would be good if the City could provide notification on the highways about businesses that exist in Lake Elmo, something like the ones on the freeway that mention "food" "fuel" "lodging". Then some customers might drive in instead of driving by.*
- *we did talk about signage to let people know that Lake Elmo has auto repair available, and about the possibility of creating more traffic by bringing in more retail business to downtown Lake Elmo, but he did feel that these would make much difference to them*
- *bring in more traffic - such as via "businesses in Lake Elmo" signs at intersection of Highways 14 & 15*
 - **Possible future action step for city (council and planning commission): Review city signage code, especially in the Old Village, compare to other cities' and update code.**

Permit process questions/concerns and denial issues:

- *unable to upgrade facility as they wanted due to restrictive zoning/permitting which requires more setback for building on agricultural land (existing building would not be allowed under current rules)*
- *The Conditional Use Permit for this business restricts growth and they are not sure if it can be modified. There is a very large industrial development just to the west of their property which has industrial / commercial zoning while their property was rezoned from agricultural to limited business some time ago, and they do not know what it would take to get theirs changed.*
- *code enforcement issue – The landlord said that a chiropractor had occupied space in the building previously and had not needed any special permit. Matt went to City to be sure, City Planner Ben Prchal told him that he needed to pay \$5000 for a conditional use permit to do physical therapy at that location. Matt was told that if he had not asked, probably there would have been no issue. He told Ben that there was no way he could come up with \$5000 for this permit process, and then was told that it would not be necessary.*
- *Have city staff or commission members come out to see what is being planned before writing up a recommendation or making a vote. Have consultation sessions with*

cooperation rather than rule-based pushback against development requests. The city is perceived as non-collaborative and unhelpful, sometimes it seems like a confrontational situation.

- *The city is perceived to treat businesses unevenly, what has been allowed for one business is denied for another. If a business asks for permission to do something, the request is "put under the microscope" to look for items that might be against the rules, rather than having an open discussion of what is needed and what might be allowed.*
- *They would like to get a clear picture of how LE regulates business, in their case, just what is needed to amend their CUP and who to talk with about the pathway.*
- *The strategy should be more inclusive to small businesses, and make it easier to deal with the City for business modifications. Their plan had been to expand on the original Old Village site but the complications of dealing with a third-party engineering firm made the process very inefficient and time-consuming, finally they gave up and moved to the roundabout business park.*
 - ***Possible future action step for city (Council and Community Development staff): With the reorganization to a Community Development Department, the addition of a Community Development Director and Senior Planner, the Community Development Director will be able to focus more on businesses (existing and new) while the Senior Planner focuses on residential growth. Changes in operating policies and procedures to be more solution oriented in some cases need to become part of city culture.***

Website related comments:

- *what about having a page on the City website that links to a local business directory?*
- *content on the city website*
 - ***Possible future action step for city (EDA and administration staff): Identify improvements that can be made to layout or organization of City website to make it more user friendly. Create economic development landing page with static resources. Implementation of items that need constant updating are unlikely to be successful with current amount of resources.***

NEXT STEPS:

The EDA commissioners intend to continue BRE visits in 2023 and gain feedback from those located south of 10th.

ATTACHMENTS:

- Guidelines for Volunteer Visitors
- Lake Elmo EDA BRE Survey
- Compilation of Responses

GUIDELINES FOR VOLUNTEER VISITORS

Purpose of Guidelines: To ensure that the visitors and firms enjoy doing the program and that good quality data are collected, leading to the retention and expansion of local firms and jobs.

1. Tips on Scheduling the Firm Visits

Who schedules the visits? You or your partner.

Suggested conversation when you telephone the firms assigned to you:

“Good morning, my name is _____. You may have heard about the Lake Elmo Economic Development Authority’s Business Retention and Expansion program. This is an effort to see what can be done to improve the business climate for our local businesses and to help them improve their profitability. Part of the program involves volunteers like myself visiting with business owners or managers to get their opinions on these questions and to review the survey in that letter.

My partner, _____, and I would like to schedule a visit with you next week. What would be a convenient time for you?”

When? Call within a week. Visit within 2 weeks.

Who should be visited? Owner or operator of the business.

Where? At the firm’s office or home of the person you are interviewing.

How long does it take? 45 to 60 minutes.

2. Tips on Introducing Yourself During the Firm Visit

Break the ice and express thanks for the firm’s economic contributions to the community. Give firm owner an extra copy of the survey. Cover the two important survey ground rules (confidentiality of results and the skip-it rule—if they don’t want to answer a particular question, they can just say “I’d like to skip that one.”)

3. Tips for Person Asking Question

Ask every question.

Ask the question exactly as worded.

No matter how bad the question seems, don’t change it. However, if you want to ask another question in addition to the one on the survey, one with slightly different wording, that is okay. If you ask this new one, write down both the new question and the answer.

Listen carefully (count silently to ten).

As a visitor, your job is to listen to the opinions of the firms. They really like that. If necessary count silently to ten as a means of staying quiet.

Repeat the question if necessary.

Never suggest answers, even if you are positive you know the correct one.

Probe answers.

This is okay. Something like: “Could you tell us a little more about that?”

Do not take offense to opinions.

If you start debating their points, some owners will stop sharing them with you.

Do not promise any solutions.

The BR&E Task Force has no formal authority and budget with which to solve problems. They often can help firms look into these problems.

4. Tips for Person Taking the Notes

Always circle (never check) responses.

Notes must tell full story.

The local Task Force and coordinators can’t read your minds. If the notes are incomplete, the firms might not be helped.

List visitors’ names on the cover.

If there are questions about your visit, you can be contacted.

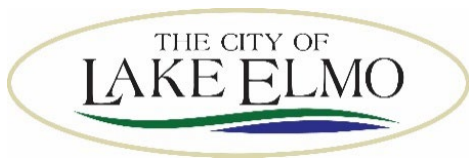
Write clearly.

5. Tips for After the Visit

With your partner, discuss if there are urgent “red flag” issues (e.g. firms considering moving, closing, or expanding, etc.).

Note urgent concerns or “red flags” on the back cover.

Return the surveys as soon as possible to Kristina.



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LAKE ELMO ECONOMIC DEVELOPMENT AUTHORITY BUSINESS RETENTION AND EXPANSION SURVEY

Business Name:_____

Address:_____

Business Contact:_____

Phone:_____

EDA Member/interviewer:_____

Date: _____

-
1. Please tell us about your primary products and services?
 2. How many employees currently work at this location? ____ FT ____ PT
 3. Is your business currently considering? (circle all that apply)
 - a. Expanding at this location
 - b. Downsizing
 - c. Selling
 - d. Merging with or acquiring another business
 - e. Moving
 - f. Closing
 - g. None of the above
 4. Are you currently experiencing any challenges with? (circle all that apply)
 - a. Attracting or retaining talent
 - b. Employee education or training
 - c. Transportation for products
 - d. Transportation for employees
 - e. Housing for employees
 - f. Financing
 - g. Municipal utilities, code enforcement or other regulation
 - h. Private utilities (electric, gas, highspeed broadband)
 - i. Other _____

5. Are there any customers, vendors, service providers or suppliers the city may want to consider visiting with about possibly relocating to Lake Emo that could compliment your business?
6. Is there anything the City or EDA can do to help your business grow and expand?
7. Are there any priorities you would like to help identify for the City of Lake Elmo or the Lake Elmo EDA to consider as strategic planning action steps?

1. Tell Us About Your Primary Products and Services

Food

Full service beauty salon

This business is a very seasonal enterprise that sells Christmas trees and related decorations, and provides a "Farm Experience". A minor part of the business provides backdrops for photography. The background effort and expense to plant, cultivate, shape and harvest the trees is distributed through other times of the year, but essentially all the income comes in between Thanksgiving and Christmas

This restaurant provides sit-down meals and take out meals including via a drive - through window. On-line orders are accepted.

It experienced a major change in business during the COVID pandemic, their drive-through which was installed 12 years ago became the only possible venue for sales during the State's shut-down of dine-in restaurant business. Sales volume went from 30% drive-thru to 100% drive through with many layoffs of serving staff.

The main activities are Day Care, Boarding, Training and and Grooming of mostly dogs. The business is doing well, they are at or near capacity. Main competition is in Woodbury and Oakdale. At one time this was also a veterinarian location with the previous owner, but no longer. There are typically 70 dogs in for day care, and another 20 for boarding. There is a thriving dog training business too.

This business is a law firm that does estate planning, mediation, real estate closings, and real estate title work.

They have two divisions, one designs, builds and installs commercial recreation equipment such as playgrounds, splash pads, etc. in Minnesota. Customers are mostly municipalities and school districts. The other group is a supplier of portable temporary fencing on a global basis.

This insurance agency has been in Lake Elmo for a long time. Their customers are about 50% individuals and 50% commercial.

Provide Physical Therapy, yoga and other wellness activities, are a stand-alone business, not a franchisee

a real estate sales company that also does staging of homes for sale. They previously had a location in North St. Paul on Seventh St. Since the pandemic they have conducted this business from home and are working to rent out their building, which is just south of the railroad track, on the east side of Lake Elmo Avenue. The back section is being used for a hairdresser. They hope to find a small business like an ice-cream shop, which would set up in the front part of the building, which has a very nice new deck, and use their available parking lot.

Platform for people to teach and learn about nature, Community meeting place with peace and respect, Nature Center

Auto Repair - the business is running well, more work in Summer than in Winter. They could do a little more business if they could hire another one or two suitable employees. At times they have to schedule work some weeks in advance. The possible work volume is also limited by the number of work spaces available but is not interested in expanding the footprint.

2. How many Employees currently work at this location?

2FT

None-retail stations, not employees

3 full-time employees and from 0-40 seasonal employees

3 full-time and about 27 part-time employees currently

14 full-time employees, 6 part-time, and they are hoping to have 5 more seasonal summer employees
12 full time employees including 6 attorneys and supporting staff.

13 employees, all FT, designers and salespeople. One each of the sales people live in a northern Minnesota city (?) and Owatonna and cover the north and south parts of the State.
five full-time and one part-time employees
Two full time employees
one full-time, 2 part-time work in hair salon. Real estate business website mentions five staff and four independent agents.
4PT, 25 volunteers
5 FT

3. Is your business currently considering (select options):

Expanding at this location with more food items
The business operates under an Interim Use Permit and is somewhat limited by this situation. A parking lot expansion was made to accommodate a safer traffic flow, this resolution has worked well. There is not a business expansion plan at this time, and the business may have to downsize eventually. It seems restrictive that a business which operates at retail for only one month a year is treated the same as an all-season business with respect to such items as traffic flow limitation

No expansion plans at this time, they have 200 seats including outdoor area, plus drive through. Their food service niche is middle of the road, tends to be stable during economic cycles, while high-end and low-end food service businesses get more fluctuation. There are about five acres of cleared land available on the property. Have had the business here since about 1980 and they have done six expansions during that time. The zoning is Old Village Mixed Use but just to the west is zoned differently.
They would like to expand at this location and double the business, but have issues as listed in section 4.
The firm's business has seen recent expansion in the estate planning area due to COVID-related anxiety, and expansion in the real estate area due to increased activity in local housing development. Building space and staff time are fully utilized at present.
Business recently expanded with the addition of the last two employees. They do not have enough storage space in their location (but there is no room to expand) so they are renting 4000 sq ft in Houlton WI for storage.
The business recently moved from the Brookfield building to the office park by the Jamaca roundabout. They have enough space but would like to expand the business by hiring and training another employee.
Just expanded to two providers

Hoping to bring in a retail tenant (ice-cream shop or?) and would need to do a bit of remodeling for ADA access. Would consider selling the building if the price is right.
Does not plan to expand, or make any voluntary changes

4. Are you currently experiencing any challenges with (select options):

municipal utilities, private utilities-gas

a. most seasonal workers enjoy the atmosphere of respect, strict attention to safety, and perks, it has not been a problem to get help, b. no experience needed, i. unable to upgrade facility as they wanted due to restrictive zoning/permitting which requires more setback for building on agricultural land (existing building would not be allowed under current rules)

a. tough labor market, which he expects to worsen when the Amazon warehouse hiring starts. The part-time staff is mostly entry-level - wait staff, busing, etc. , b. no need for educated employees, training is in house, c. no transportation needed for products, d. employees may bicycle to work, or drive their own cars, he has plenty of parking available, e. employee housing is not a real problem, many are either young adults living with family, or live in Cimmaron, f. financing is not a problem in this case, there is not a current need for bank financing but this is a solid, creditworthy business if financing were needed. Owns the building and pays rent to himself, g. Municipal utilities - this location has been on city water since 1962, no particular problems. City sewer will be coming soon. Cost will be high, h. Right now the "cost of goods sold" is killing profitability because, for example, if the price of eggs goes up 400%, there is no way to raise menu prices enough to make up for the additional cost without driving customers away.

The Conditional Use Permit for this business restricts growth and they are not sure if it can be modified. There is a very large industrial development just to the west of their property which has industrial / commercial zoning while their property was rezoned from agricultural to limited business some time ago, and they do not know what it would take to get theirs changed. Job posting is done on Handshake, Facebook, and via a career page on their own website <https://www.animalinnpetresort.net/careers/>. Another site is animalinntraining.com. Younger employees generally do not live in Lake Elmo due to high costs, but come in from Oakdale or western Wisconsin. The UW River Falls campus has animal health curriculum which is the basis of some of their employees' job skills. No serious problems with employee transportation or employee housing, but recruitment is an issue now. Financing is not a problem, their water comes from a well, and the cleaning of kennels takes a lot of water. They have difficulty with getting good internet, Centurylink is expensive (both monthly cost and charges for upgrades) and slow.

The challenge at this time is lack of nearby affordable housing for junior staff members, some come from Wisconsin and Cottage Grove. Transportation is not an issue as most employees have cars, and on-site parking is an advantage. Utilities - An issue with municipal utilities relates to City water billing - no problem with water supply.

a. talent - no problem right now - the talent needed is in two categories - have both filled now, b . employee education/training - equipment designers (require education) and sales (can be trained on the job), c. suppliers mostly ship to work sites, not a problem, f. financing is not a problem but the cash flow is very seasonal - money comes in when the work is done, during construction season, but costs are high in the winter. g. Only major problem has been with road reconstruction in front of their building - very poor coordination with contractor has caused business disruption, and lack of cooperation in design resulted in plan for a curb which would prevent access to their loading dock area. Delays have been random and have interfered with their plans, and water was shut off with very short notice.. The curb plan issue has required time-consuming extra meetings. Their experience with the City Building Department, Fire Department, and code enforcement during the extensive remodeling of their building 2019-2021 was very positive. h. They get very poor internet service from Xfinity - expensive, slow, narrow bandwidth. Electric and gas are ok.

a. it has been difficult to hire the right person to expand the business, b. they are willing to train someone, e. lower-paid employees live further away

f no issues with financing, had a loan from Lake Elmo Bank to get started with rental, g municipal utilities OK, code enforcement issue – The landlord said that a chiropractor had occupied space in the building previously and had not needed any special permit. Matt went to City to be sure, City Planner Ben Prchal told him that he needed to pay \$5000 for a conditional use permit to do physical therapy at that location. Matt was told that if he had not asked, probably there would have been no issue. He told Ben that there was no way he could come up with \$5000 for this permit process, and then was told that it would not be necessary. h private utilities – broadband from Xfinity is very expensive, finally went with T-mobile hotspot.

a-f no issues; 4 g - if ice cream shop is set up, need to work through State restaurant health inspection system; 4 h no issues

Attracting and retaining staff - Need volunteers on sundays or possible intern -Financing-need successful fundraising

problem getting employees to do this kind of work - issue not specific to them but affects industry

f. self-financed - he rents the space

g, no problem - they are on city water, have had no code enforcement problems

h. had very poor internet service from Century Link - finally called Jason and threatened to change provider, Jason came and fixed the issue right away.

a. yes (people are not seeking this job in Lake Elmo)

b. no

c. no

d. no

e. housing in Lake Elmo is not affordable for potential employees without other income

f. no

g. utilities OK, signage regulations are illogical and very limiting

h. Century Link internet is bad

i. other - plantings along the sidewalk are overgrown and no one takes care of them - who is responsible?

parking time limit is too short - some customers need four hours of service but can only park for two hours.

5. Are there any customers, vendors, service providers or suppliers the city may want to consider visiting with about possibly relocating to Lake Elmo that could compliment your business?

Brewery, more retail

It would be good to have more consumer-oriented retail in Lake Elmo to bring in ordinary shoppers who now go to Stillwater or Woodbury - a "General Store" other retail, grocers, more choice in restaurants.

The restaurant's suppliers need not be very local. More traffic coming to other businesses would help to increase the number of potential customers. Estimates that 50 % of his business is people who see XXXX's as a destination, 50% are driving by and stop in.

A complementary local business could be a pet store/pet supply location. Customers now go to Woodbury or Stillwater big box pet store locations.

Interesting question - their business partners are real estate companies and banks.. Otherwise, not a lot of connection to local businesses

They would like to have a local company that offers storage. They would like to engage a local construction company to built the playgrounds they design. They moved their business from St. Louis Park to Lake Elmo for business advantage (Lake Elmo is growing) and because they got a good deal on a suitable building.

They rely more on referrals, more foot traffic would not benefit their business very much. They use a 3rd party social media provider and pay for a sign at Lions Park field.

A complementary business would be a gym, health club, other fitness activities nearby etc. They get some business leads from foot traffic but rely on mostly social media and referrals from fitness coaches to get new patients. Some more prominent signage may be helpful but regulations are limiting

They would like to have a nearby business which rents out climate-controlled, easily accessible storage space. 1500 sq ft is needed to store their home staging articles. An ice-cream shop would benefit from more traffic in general, but the hair salon is more of a destination business.

Partnerships with schools to have a program where students regularly visit the nature center for education

would benefit from more nearby businesses whose employees might be able to drop off a car to get work done, then pick it up before they go home.

more retail business would attract more shoppers, some of whom could use our services this business is a destination for some customers and a drop-in for other customers.

better signage would enable some people to recognize the business location and come back later

6. Is there anything the City or EDA can do to help your bsuiness grow and expand?

They would like to see a more flexible rule for business signage - perhaps seasonal installation of a suitable sign?

Have city staff or commission members come out to see what is being planned before writing up a recommendation or making a vote. Have consultation sessions with cooperation rather than rule-based pushback against development requests. The city is perceived as non-collaborative and unhelpful, sometimes it seems like a confrontational situation.

The city is perceived to treat businesses unevenly, what has been allowed for one business is denied for another. For safety and smooth traffic flow, Krueger Tree farm would like to be able to set up small lighted signs to direct the incoming and outgoing traffic in the evenings from Thanksgiving to Christmas but the regulation does not allow such signage. If a business asks for permission to do something, the request is "put under the microscope" to look for items that might be against the rules, rather than having an open discussion of what is needed and what

The possibility of using the farm as a photographer's background was interpreted as creating an "entertainment" business which was not allowed in the zoning area. It took a lot of effort to resolve this issue, the back-and -forth communication was difficult. Ultimately in this case the IUP was amended satisfactorily, but the ruling seemed quite arbitrary with respect to the number of trips was allowed (actually many more than requested).

does not expect the City to help attract customers, but there are things that can be done to not discourage customers. Deal with the traffic issues

Traffic issue 1 - since the traffic light was installed at LE Ave and Hwy 14, there is no guidance to those pulling out of XXXX's driveway to go left on 14, or straight north on LE Ave. This situation is dangerous especially for those with slower reaction time, because the driver has to guess when to go and has no idea of what the signals are directing the other three traffic flows. Said that The business climate in Lake Elmo has been an issue (reputation for "unfriendly to business"). The settlement of the development lawsuit (LE vs Metro Council) did help their lender decide that the LE location was viable. They are originally from California, and lived in Farmington MN where there is also an issue with difficult business climate. How much is the State, how much local? They would like to improve the signage for their location to make the business more visible, but understand that LE is very restrictive in that regard. They would like to get a clear

encouraged that the City has opened a channel through the EDA to listen to business owners' concerns. In the past their only connection was to pay the real estate taxes. The City organization was not viewed as helpful, and the divisive nature of historical Councils did not engender much confidence. She would like to be kept apprised of the activities of the EDA.

New developments in Lake Elmo are required to provide a park (maybe with a playground) or pay a parks dedication fee, they would like to form connections with the developers of new housing developments to be able to offer their services. It would be helpful if the City had a program to help businesses that want to redevelop existing buildings to make them suitable for the new owner's business (restore or upgrade existing commercial buildings) to maintain a historic appearance. They would like better cooperation with the City snow removal process. The plow now pushes the snow onto their limited parking area, which they must then clear.

While there are many new developments where homeowners need insurance, most of the big developers have their own in-house insurance business, which typically offers a low cost bare-bones policy, and XXXX only gets the business after the homeowner has a bad experience with this "package" plan.

"It is good to hear that someone cares about the business climate in Lake Elmo.

They are really busy in the real estate business, and have no suggestions for what the City could do to help them in the short term.

Signage right off the main road before the entrance - content on the city website

He had no suggestions for short term improvements that L.E. City or EDA could make. This is a destination business and does not depend on casual drive-by customers who happen to notice it.

improve the signage regulations to allow more useful signs.

pay for snow clearing on downtown sidewalks

7. Are there any priorities you would like to help identify for the City of Lake Elmo or the Lake Elmo EDA to consider as strategic planning action steps?

Slow down residential development. More new residents equal more kids which equals more schools which equals more school district taxes. I know this is true, I have owned my building since 1980 and know the consequences of out of control development and it is not good for small business owner. The huge assessments to fund the main street sewer project have made the profitability of my business pretty bleak.

Would it be possible for a seasonal commercial business such as this business to be classified for tax purposes as commercial for the business period and agricultural for the non-business period?

Go to the county and get information on the tax base - how much is commercial, how much is residential. Be sure to consider this background when making strategic planning decisions. Why is the Fiscal Disparity tax on businesses so high? This is money that leaves the City. Take steps to ensure that another loss of commercial land by Lake Elmo, like Oakdale's annexation of Section 32, does not occur. Estimates that that area is has \$600 million in commercial real estate value - and Lake Elmo does not get a penny of the tax revenue even though the businesses are heavily patronized by Lake Elmo residents.

What is the plan for business development in LE? We suggested that there may be a section of larger business/industrial near I-94 and I 694, a smaller-business downtown, and residential development in the rest of the City. We would like to have local businesses to meet the needs of local customers, to keep the spending in LE. Changing demographics - bringing in more young workers and families with kids.

She thought that community business awareness could be improved. We mentioned the creation of Connect Lake Elmo as an organization to help with this need.

Strategically, said that it would be good if more retail business with "charm" could be attracted to the downtown area to generate more foot traffic. Many of the downtown businesses are destinations (like the architects, real estate, insurance, etc) and do not depend on random visits by people walking by, but the by-gone coffee shop and once-proposed ice cream shop would make the downtown a lot more attractive. Even amenities like Bayport's hanging flower baskets and Mabel's ice cream would help downtown Lake Elmo attract more customers.

The strategy should be more inclusive to small businesses, and make it easier to deal with the City for business modifications. Their plan had been to expand on the original Old Village site but the complications of dealing with a third-party engineering firm made the process very inefficient and time-consuming, finally they gave up and moved to the roundabout business park. They like Lake Elmo, "Main Street" is amazing and has opportunities for improvement, it is "not Woodbury". There should be good opportunities with the new demographics (more active young families) to provide growth for a service business, if people can be persuaded to keep the business local. It would be helpful if there were attractive businesses or activities to keep people "in town" after they come for a haircut or a restaurant meal.

It would be good if the City could relax the requirements for signage on businesses. It would be good if the City could provide notification on the highways about businesses that exist in Lake Elmo, something like the ones on the freeway that mention "food" "fuel" "lodging". Then some customers might drive in instead of driving by.

Build business incubators

No suggestions - we did talk about signage to let people know that Lake Elmo has auto repair available, and about the possibility of creating more traffic by bringing in more retail business to downtown Lake Elmo, but he did feel that these would make much difference to them

bring in more traffic - such as via "businesses in Lake Elmo" signs at intersection of Highways 14 & 15

currently there are some obsolete signs still standing in Lake Elmo, causing confusion.

what about having a page on the City website that links to a local business directory?



STAFF REPORT

DATE: February 21, 2023

REGULAR

AGENDA ITEM: 2023 Meeting Schedule

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

In 2022, the EDA set regular meetings for the third Tuesday of the second month of each quarter at 6pm. Assuming the EDA will continue with that schedule below is an update of meeting dates for 2023.

ISSUE BEFORE COMMITTEE:

Should the EDA set their regular meetings now for 2023? If so, do the proposed dates and times work?

PROPOSAL DETAILS/ANALYSIS:

The proposed meeting dates for 2023 are:

Tuesday, February 21 at 6pm

Tuesday, May 16 at 6pm

Tuesday, August 15 at 6pm

Tuesday, November 21 at 6pm

These dates all coincide with city council meeting nights. Those meetings begin at 7pm meaning EDA meetings will have to wrap up by 6:55pm.

RECOMMENDATION:

“Motion to adopt the 2023 meeting schedule.”

ATTACHMENT:

- None