



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

Thursday, October 28, 2021 6:00 PM

AGENDA

- | | |
|---|------------------|
| A. Call to Order/Roll Call | 6:00 p.m. |
| B. Approval of September 30, 2021 Minutes | 6:00 p.m. |
| C. Business Subsidy Policy | 6:05 p.m. |
| D. Business Retention and Expansion Program | 6:45 p.m. |
| E. Lake Elmo EDA 2021-2023 Work Plan | 7:15 p.m. |
| F. Next Meeting Date/Future Agenda
Items/Reports | 7:30 p.m. |
| G. Adjourn | 7:30 p.m. |

**CITY OF LAKE ELMO
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
September 30, 2021**

Call to Order/Roll Call

Vice President Gaertner called the meeting to order at 6:01 P.M.

PRESENT: Mark Gaertner, Linda Larson, Jeff Holtz, Charles Cadenhead, and Tom Triplett.

ABSENT: Paul Ryberg

Staff Present: City Administrator Handt

Approval of August 26, 2021 Minutes:

Motion by Cadenhead, seconded by Holtz to approve the August 26, 2021 minutes. Motion passed 4-0-1 with Larson abstaining.

NorthPoint Development Intro

Brent Miles, co-owner and co-founder of NorthPoint Development shared details about the proposed project on Ideal Ave/CSAH 14. No tenant is known at this time. The large building will have cross docks and the other three are single load. When the project is fully built out in 4-5 years it's expected to bring at least 560 jobs. Jobs in the large building would expected to pay \$15-21 per hour. Those in the smaller buildings may have some positions with annual salaries of \$50,000-60,000. He noted they typically work with equity partners such as Northwestern Mutual or New York Life. With the potential project in Cottage Grove, they would expect to have full time staff for property maintenance. The reason they are asking for TIF is due to the increased price of steel from \$4 to \$17.80. NorthPoint is open to a look back provision in the TIF agreement –if they do better than thought, wouldn't take TIF funds. Also a look back provision for the jobs per building. Christina Hubacek, NorthPoint Development went over the public infrastructure involved in the project-sewer and road improvements.

Refunding of the 2018A Bonds with Proceeds from the 2021A Bonds and lease termination-Resolution 2021-001

In 2018, the EDA had to issue bonds for the purchase of the Brookfield building since tenants remained in the building. Handt explained the resolution would prepay the bonds used to purchase the Brookfield building with the new bonds issued this year for the new city center. The resolution also would terminate the lease between the city and EDA for the Brookfield building. Motion by Triplett, seconded by Larson to approve Resolution No 2021-001 A Resolution Providing for the Redemption of Certain Outstanding Taxable Public Project Lease Revenue and Limited Tax Bonds, Series 2018A, and Authorizing Execution of Related Documents. Motion passed 5-0.

Economic Development Draft Plan

Chris Eng, Washington County Economic Development Director the latest draft of the EDA's 2021-2023 Work Plan. Motion by Holtz, seconded by Gaertner to recommend the 2021-2023 Lake Elmo Economic Development Work Plan to the City Council. Motion passed 5-0.

Business Subsidy Policy

Handt noted that the council had directed the EDA to work on a business subsidy policy at their September 14th work session and presented examples from other communities. The commission agreed that using Cottage Grove's policy would be a good starting point, noting they liked starting with the objectives. Discussion amongst members about how specific to be. It was agreed that the policy shouldn't be too specific since it applies to all businesses and situations. Triplett asked about

adding a provision requiring the city to work with neighboring communities. Holtz noted the prioritized areas in the Cottage Grove policy. Discussion about what Lake Elmo's priorities should be such as tying to the Comprehensive Plan and EDA's work plan. Discussion about wages occurred. Handt suggested tying it to something that updates over time (state or federal minimum wage, federal poverty level, etc.) rather than adopting a specific dollar amount that could become outdated in a few years. Holtz suggested the state minimum wage. Larson noted with a caveat that it could never be less than 1.5 times the federal minimum wage. Jay Lindgren, Dorsey Whitney, counsel for NorthPoint Development, noted that statute requires 90% of the jobs to be 1.5x the federal minimum wage. He noted while that is the minimum, the commission will need to decide what the wage requirements are and how many jobs need to meet that requirement. Keith Gendreau, NorthPoint Development, shared some labor market and wage data they obtained. There are 44,000 people within 20 minute drive time to the site that could fill these jobs. The starting wage for warehouse workers (forklift operators) is \$16.65/hour. The starting wage for material handlers is \$14-15/hour.

The commission asked if they could have some time to review the Cottage Grove policy. Handt will send out a copy of the Cottage Grove policy separate from the packet. Commissioners may email her comments by October 8th. Then Handt will work on updating the draft, consulting an attorney if necessary, and bring the draft back at the next meeting.

Next Meeting Date/Future Agenda/Reports

The next meeting will be Thursday, October 28th, 2021 at 6pm. The agenda will include the business subsidy policy.

Adjourn

Meeting adjourned at 7:48 P.M.

Respectfully Submitted,
Kristina Handt



DATE: October 28, 2021
REGULAR

AGENDA ITEM: Business Subsidy Policy
TO: Economic Development Authority Commissioners
SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

At the September 30, 2021 EDA meeting, the commission reviewed business subsidy policies from other communities. The commission directed staff to use the City of Cottage Grove as the template for Lake Elmo. Comments from Commissioner Triplett were received October 8th and used to update the draft along with legal review.

ISSUE BEFORE COMMITTEE:

Should the EDA recommend the business subsidy policy to the City Council for adoption?

PROPOSAL DETAILS/ANALYSIS:

A draft business subsidy policy for Lake Elmo is included in your packet. It has been reviewed by the city attorney. I've used the track changes features so the commission can see where changes were made from the Cottage Grove policy.

Some points for discussion and direction by the commission are also noted on the policy.

- Section 2: City's Objectives for the Use of Public Financing
 - A. Commissioner Triplett asked if we should require 2 or 3 or more of the objectives to be met.
- Section 4.2 Desired Qualifications
 - C. I listed the areas of development for commercial /industrial property using the districts noted in the City's 2040 Comprehensive Plan. Is this the correct order of priority?
 - a. Old Village District
 - b. Elmo Station District
 - c. Civic District
 - d. Business Park District
 - e. Mixed Use Business Park District
 - f. Mixed Use Commercial District
 - g. Limited Commercial District
 - h. Commercial District
- Section 5 Business Subsidy Criteria: Public Purpose, Jobs and Wage Requirements
 - D. Commissioner Triplett asked if the creation of one FTE as a minimum shouldn't be more.
 - E. The wage floor mirrors that in Cottage Grove at 200% of the State of MN Minimum Wage. Would the commission prefer to require the jobs to average 200% of the State of MN Minimum Wage? If yes, the language could read: "The wage floor for wages to be paid for at least one job created shall be not less than 200% of the State of MN Minimum Wage and the average wage for all jobs created under the subsidy agreement shall be not less than 200% of the State of MN Minimum Wage."

Staff wouldn't recommend the averaging language. Averaging could result in giving credit for low paying jobs if offset by a high paying job. The policy should set the floor and allow the city to negotiate the specifics on each deal which will likely always be more than the minimums in policy.

FISCAL IMPACT:

TBD on each project, greater than \$150,000.

OPTIONS:

- 1) Recommend approval of the Business Subsidy Policy as presented
- 2) Amend the Business Subsidy Policy and then recommend approval
- 3) Do not recommend the adoption of the Business Subsidy Policy

RECOMMENDATION:

“Motion to recommend (as amended?) the Lake Elmo Business Subsidy Policy to the City Council for adoption.”

ATTACHMENT:

- Draft Lake Elmo Business Subsidy Policy



**City of Lake Elmo and
Lake Elmo Economic Development Authority Public
Financing Criteria and Business Subsidy Policy
October 2021 DRAFT**

INTRODUCTION:

This Policy is adopted for purposes of the business subsidies act, which is Minnesota Statutes, Sections 116J.993 through 116J.995 (the “Statutes”). Terms used in this Policy are intended to have the same meanings as used in Statutes. [Sec. 116J.993](#), Subdivision 3 specifies forms of financial assistance that are not considered a business subsidy. This list contains exceptions for several activities, including redevelopment, pollution clean-up, and housing, among others. By providing a business subsidy, the City commits to holding a public hearing, as applicable, and reporting annually to the Department of Employment and Economic Development (DEED) on job and wage goal progress.

1. PURPOSE AND AUTHORITY

- A. The purpose of this document is to establish criteria for the City and the City’s Economic Development Authority (“EDA”) for granting of business subsidies and public financing for private development within the City. As used in this Policy, the term “City” shall be understood to include the EDA. These criteria shall be used as a guide in processing and reviewing applications requesting business subsidies and/or City public financing.
- B. The City's ability to grant business subsidies is governed by the limitations established in the Statutes. The City may choose to apply its Business Subsidy Criteria to other development activities not covered under the statute. City public financing may or may not be considered a business subsidy as defined by the Statutes.
- C. Unless specifically excluded by the Statutes, business subsidies [as used by the City](#) include grants by state or local government agencies, contributions of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient of the subsidy, any reduction or deferral of any tax or any fee, tax increment financing (TIF), abatement of property taxes, loans made from City funds, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.
- D. The criteria in this Policy are to be used in conjunction with other relevant policies of the City. Compliance with this Public Finance Criteria and Business Subsidy Policy shall not automatically mean compliance with such separate policies.

- E. The City may deviate from the job and wage goals criteria outlined in Section 5 D and E below by documenting in writing the reason(s) for the deviation. The documentation shall be submitted to the DEED with the next annual report.
- F. The City may amend this document at any time. Amendments to these criteria are subject to public hearing requirements contained in the Statutes.

2. CITY’S OBJECTIVE FOR THE USE OF PUBLIC FINANCING

A. As a matter of adopted policy, the City may consider using public financing which may include tax increment financing (TIF), property tax abatement, bonds, and other forms of public financing as appropriate, to assist private development projects. Such assistance must comply with all applicable statutory requirements and accomplish ~~one-two~~ **or** more of the following objectives:

Commented [KH1]: Or three?

1. Remove blight and/or encourage redevelopment in designated redevelopment/development area(s) per the goals and visions established by the City Council and EDA.
2. Expand and diversify the local economy and tax base.
3. Encourage additional unsubsidized private development in the area, either directly or through secondary “spin-off” development.
4. Offset increased costs for redevelopment over and above the costs that a developer would incur in normal urban and suburban development (determined as part of the But-For analysis).
5. Facilitate the development process and promote development on sites that could not be developed without public financing assistance.
6. Increase the number and diversity of quality jobs and/or retain local jobs at high wages
7. Provide the highest and best desired use for the property
8. Improve or add public infrastructure such as roads, utility extensions, storm water ponding, etc.
9. ~~Establish Result in~~ business interest that add to the diversity of the City’s offerings

3. PUBLIC FINANCING PRINCIPLES

A. The guidelines and principles set forth in this Policy pertain to all applications for City public financing regardless of whether they are considered a Business Subsidy as defined by the Statutes. The following general assumptions of development/redevelopment shall serve as City public financing guidelines:

1. All viable requests for City public financing assistance shall be reviewed by staff, and a third party municipal advisor who will inform the City of its findings and recommendations. This process, known as the “But For” analysis is intended to establish that the project would not be feasible but for the City financing assistance.

2. The City shall establish mechanisms within a development agreement to ensure that adequate checks and balances are incorporated in the distribution of financial assistance where feasible and appropriate, including but not limited to, establishment of a “look back provision” and other performance criteria deemed necessary by the City.
3. TIF and property tax abatement will be provided on a pay-as-you-go-basis. Any request for upfront assistance will be evaluated on its own merits and may require security to cover any risks assumed by the City.
4. The City will set up TIF districts in accordance with the maximum number of statutory years allowable. However, this does not mean that the developer will be granted assistance for the full term of the district.
5. The City will elect the fiscal disparities contribution to come from inside applicable TIF district(s) to eliminate any impact to the existing tax payers of the community.
6. Public financing will not be used to support speculative commercial, office or housing projects. In general the developer should be able to provide market data, tenant letters of commitment or finance statements that support the market potential/demand for the proposed project.
7. Public financing will not be used in projects that would give a significant competitive financial advantage over similar projects in the area due to the use of public financing assistance. Developers shall provide information to ~~support~~ demonstrate that such assistance will not create such a competitive advantage. Priority consideration will be given to projects that fill an unmet market need as determined by the City.
8. Public financing will not be used in a project that involves a land and/or property acquisition price in excess of fair market value.
9. Public financing will not be used for single-family residential developments or stand-alone corporate-owned fast food restaurants. In addition, public financing will not be used for big-box retail that is not part of a redevelopment project or special purpose project of the City.
10. The developer will pay all applicable application fees and pay for the City’s fiscal and legal advisor time as stated in the City’s Public Assistance Application.
11. The City will consider waiving fees on a case-by-case basis including, but not limited to, park dedication fees, water and/or sewer/storm sewer connection or area charges. The City may consider using SAC credits, to the extent they are available, to off-set a project’s SAC expenses.
12. The developer shall proactively attempt to minimize the amount of public assistance needed through the pursuit of grants, innovative solutions in structuring the deal, and other funding mechanisms.
13. All developments are subject to execution and recording of a Minimum Assessment Agreement, if they receive tax increment financing, and Development Agreement.

Commented [KH2]: Comments from city attorney:
a. The only authority for Minimum Assessment Agreements is for projects within a TIF District. Since this policy is broader than TIF I would make the clarification highlighted above.
b. Also, if you’re only using pay-as-you-go tax increment financing, you don’t necessarily need to have the protection of a Minimum Assessment Agreement. I know some cities like to have them anyway but really the risk of a shortfall of tax increments falls on the developer with pay-as-you-go tax increment financing.

4. **PROJECTS WHICH MAY QUALIFY FOR PUBLIC FINANCING ASSISTANCE**

- A. All new applications for public assistance considered by the City must meet all the minimum qualifications in Section 4.1, 4.2 A and B, and as many of the desired qualifications in Section 4.2 C as feasible. However, it should **not** be presumed that a project meeting these qualifications will automatically be approved for assistance. Meeting the qualifications does not imply or create contractual rights on the part of any potential developer to have its project approved for assistance.

4.1 **MINIMUM QUALIFICATIONS/REQUIREMENTS:**

- A. In addition to meeting the applicable requirements of State law, the project shall meet ***two or more*** of the public financing objectives outlined in Section 2.
- B. The developer must demonstrate to the satisfaction of the City that the project is not financially feasible “but for” the use of tax increment or other public financing.
- C. The project must be consistent with the City’s Comprehensive Plan and Zoning Ordinances, Design Guidelines and any other applicable land use documents or City requirements.
- D. Prior to approval of a financing plan, the developer shall provide all requested market and financial feasibility studies, appraisals, soil boring, private lender commitment, and/or other information the City or its financial consultants may require in order to proceed with an independent evaluation of the application for public financing.
- E. The developer must provide adequate financial guarantees to ensure the repayment of any public financing and completion of the project. These may include, but are not limited to, assessment agreements, letters of credit, personal deficiency guarantees, guaranteed maximum cost contract, etc.
- F. Any developer requesting assistance must be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed. Public financing will not be used when the developer’s credentials, in the sole judgment of the City, are inadequate. The City’s evaluation of the developer’s credentials may include, but is not limited to, performance on past projects, general reputation, project references, bankruptcy and other criteria considered relevant to the City.
- G. The developer, or its contractual assigns, shall retain ownership **and financial control** of any portion of the project long enough to complete the project, stabilize its occupancy, and establish project management and/or needed mechanisms to ensure successful operation.

4.2 **DESIRED QUALIFICATIONS:**

- A. Projects providing a high ratio of private investment to City public investment will receive priority consideration. Private investment includes developer cash, government and bank loans, conduit bonds, tax credit equity, and land if already owned by the developer.

- B. Proposals that significantly increase the amount of property taxes paid after redevelopment will receive priority consideration.
- C. Proposals that encourage the following will receive priority consideration:
 - 1. Implements the City’s vision and values for a City-identified redevelopment areas in order of priority;
 - ~~a. Business Park~~
 - ~~b. Gateway North District~~
 - ~~c. Cottage View District~~
 - ~~a. Langdon Village Area (along portion of West Point Douglas Road) including the Majestic Ballroom Old Village District~~
 - ~~d.~~
 - b. Elmo Station District
 - c. Civic District
 - d. Business Park District
 - e. Mixed Use Business Park District
 - f. Mixed Use Commercial District
 - g. Limited Commercial District
 - e.h. Commercial District
 - 2. Provides opportunities for corporate campus or medical office development
 - 3. Provides opportunity for hi-tech, med-tech, R & D facilities/office or major manufacturer
 - 4. Provides for development of limited or full-service hotels
 - 5. Provides opportunities for entertainment venues such as movie theater, family fun center or larger attraction unique to the City
 - 6. Promotes multi-family housing investment that meets the following City goals:
 - a. Provides housing options not currently available
 - b. Provides affordable and/or workforce housing that include amenities similar to those found in market rate housing
 - c. Provides market-rate housing with high-end finishes and amenity package
 - 7. Redevelops a blighted, contaminated and/or challenged site
 - 8. Attracts or retains a significant employer within the City
 - 9. Provides significant rehabilitation or expansion and/or replacement of existing office, manufacturing or commercial facility
 - 10. Provides façade improvements (including building facades, signage, landscaping and parking lots) for commercial/industrial developments
 - 11. Adds needed road, access, multi-modal improvements and or public infrastructure
 - 12. Provides opportunities for small businesses (under 50 employees)
 - 13. Provides significant improvement to surrounding land uses, the neighborhood, and/or the City

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Commented [KH3]: Pg 3-33 of Comp plan for referenece

5. **BUSINESS SUBSIDY CRITERIA: PUBLIC PURPOSE, JOBS AND WAGE REQUIREMENT**

- A. All business subsidies must meet a public purpose with measurable benefit to the City as a whole.
- B. Job retention may only be used as a public purpose in cases where job loss is specific and demonstrable. The City shall document the information used to determine the nature of the job loss.
- C. The creation of tax base shall not be the sole public purpose of a subsidy.
- D. Unless the creation of jobs is removed from a particular project pursuant to the requirements of the Statutes, the creation of jobs is a public purpose for granting a subsidy. Creation of at least one (1) new full time employee (FTE) is a *minimum requirement* for consideration of assistance and, it should **not** be presumed that a project meeting this minimum requirement will automatically be approved for assistance. The City may require more jobs be created in order for a developer to receive public assistance. For purposes of this Policy, FTE's must be permanent positions with set hours, and be eligible for benefits.
- E. The wage floor for wages to be paid for the jobs created shall be not less than **200%** of the State of MN Minimum Wage. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.
- F. After a public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero.

Commented [KH4]: Should this be more?

6. **SUBSIDY AGREEMENT**

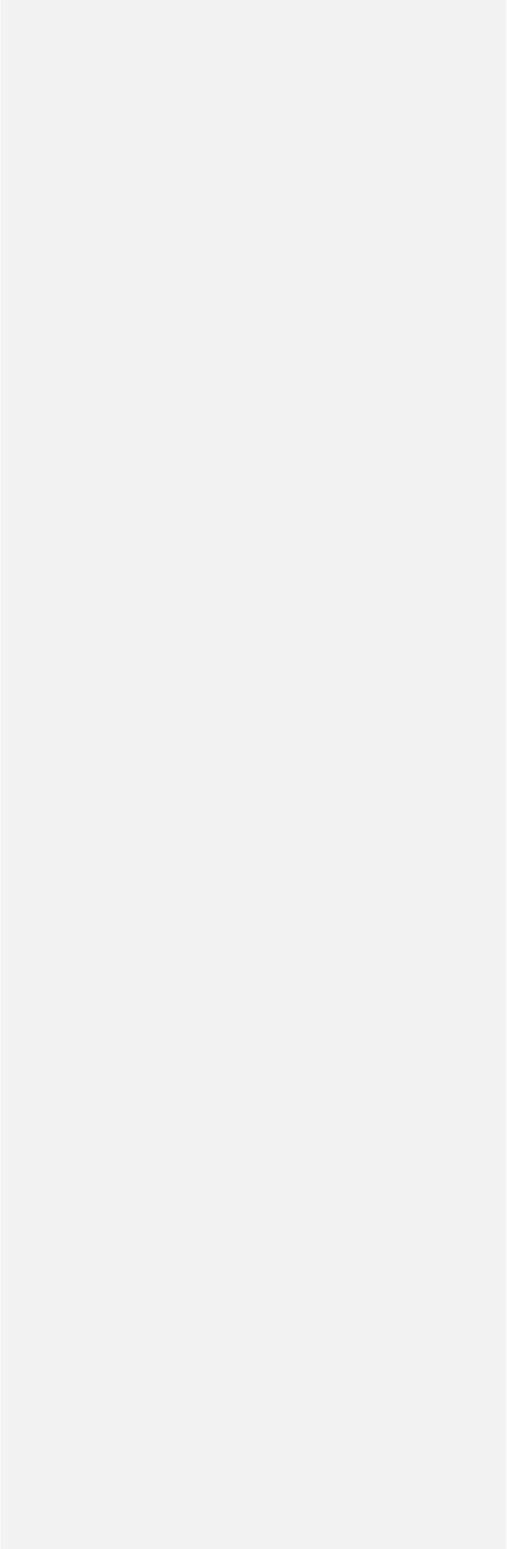
- A. In granting a business subsidy, the City shall enter into a subsidy agreement with the recipient that provides the following information: wage and job goals (if applicable), commitments to provide necessary reporting data, and recourse for failure to meet goals required by the Statutes.
- B. The subsidy agreement may be incorporated into a broader development agreement for a project.
- C. The subsidy agreement will commit the recipient to providing the reporting information required by the Statutes.

7. **PUBLIC FINANCING PROJECT EVALUATION PROCESS**

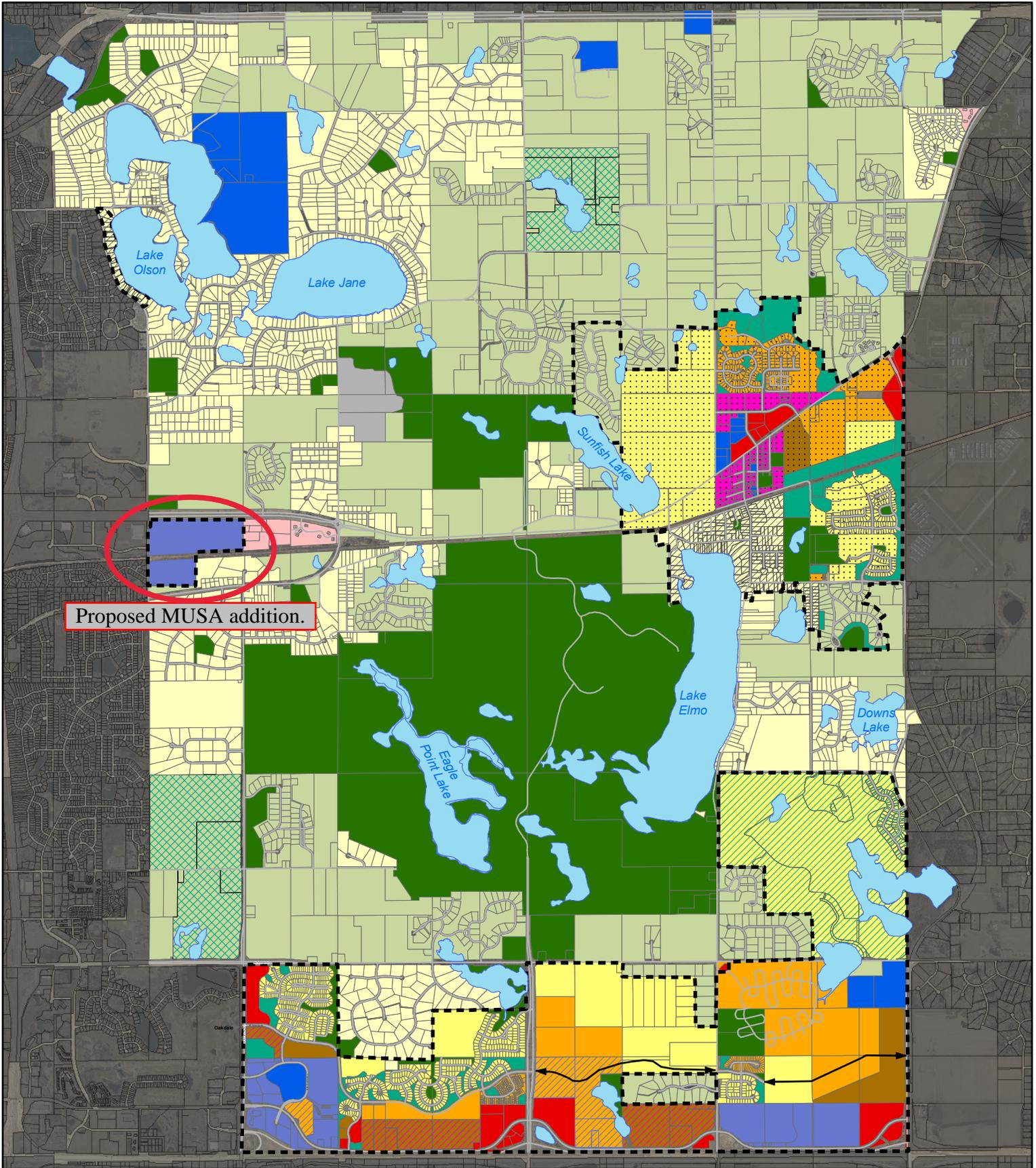
- A. The following methods of analysis for all public financing proposals will be used:
 - 1. Consideration of project meeting minimum qualifications
 - 2. Consideration of project meeting desired qualifications

3. Project meets “but-for” analysis and/or statutory qualifications
4. Project is deemed consistent with City’s Goals and Objectives

Please note that the evaluation methodology is intended to provide a balanced review. Each area will be evaluated individually and collectively and in no case should one area outweigh another in terms of importance to determining the level of assistance.



Map 3-3 Future Land Use Map



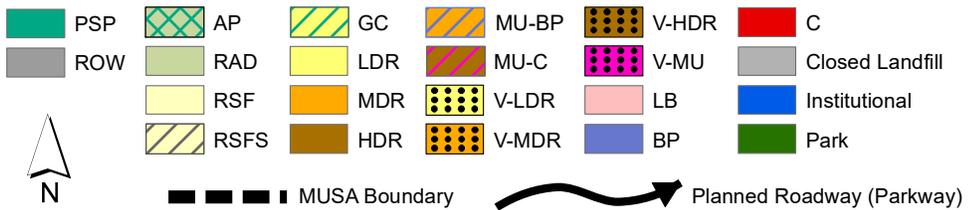
Proposed MUSA addition.

2040 Future Land Use

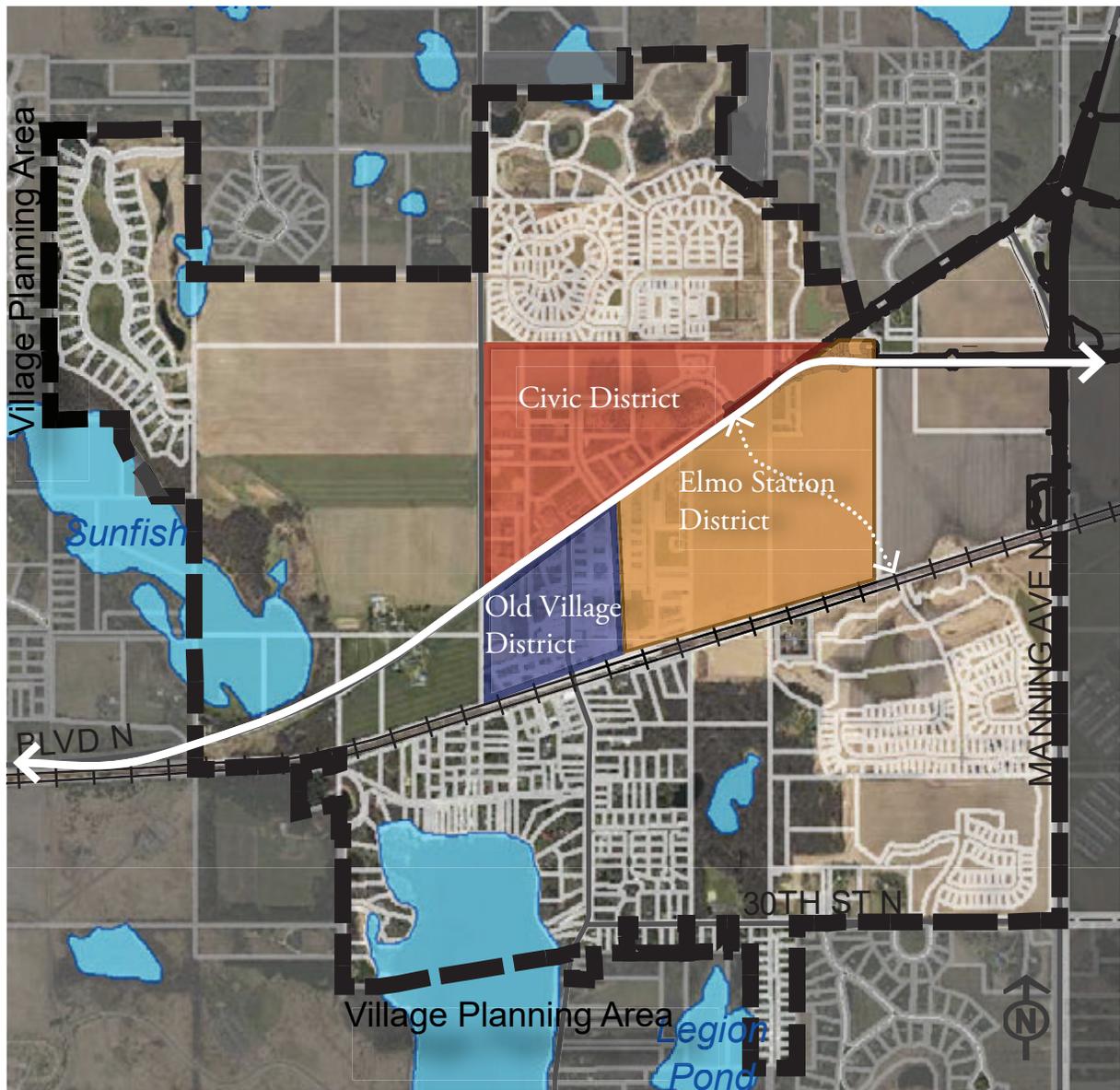
0 1800 3600 5400 7200 Ft



Map Date: January 2021



Map 3-9. District Boundaries in Village Planning Area



3-33

Source: Metropolitan Council, City of Lake Elmo, SHC



DATE: October 28, 2021
REGULAR

AGENDA ITEM: Business Retention and Expansion Program

TO: Economic Development Authority Commissioners

SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

The top goal of the EDA's 2021-2023 work plan is to develop strong relationships with existing businesses and explore options for a Business Retention and Expansion (BR&E) Program.

ISSUE BEFORE COMMITTEE:

Does the commission have any changes to the draft BR&E Program? When would the commission like to begin implementing it (meeting with businesses)? Which businesses should be visited?

PROPOSAL DETAILS/ANALYSIS:

Chris Eng has provided a draft of the BR&E Program in your packet. We have a list of over 473 businesses in Lake Elmo compiled by Reference USA that the EDA will need to provide direction on how to prioritize (by type of business, location, etc). The business visits/interviews could be conducted by members of the EDA beginning in 1st quarter of 2022.

FISCAL IMPACT:

NA

ATTACHMENT:

- Draft BR&E Program Outline

memo

Lake Elmo EDA BR&E Program

To: Kristina Handt
From: Chris Eng
Date: October 15, 2021
Re: BR&E Program Overview

Program objectives of the Lake Elmo BR&E Program are:

1. To demonstrate support and appreciation for existing businesses (an opportunity to connect the city with the businesses),
2. To identify and potentially assist in addressing any immediate business opportunities or concerns (identify any red flag warnings),
3. To establish and implement future EDA strategic/work plan action steps (identify priority projects), and
4. Identify potential opportunities for new businesses that can complement the existing businesses in the city (vendors and service providers, suppliers and customers).

The program will involve informal business meetings (and possible tours of the business) with the EDA Members along with CDA and city staff. Onsite business visits will be conducted by the EDA Members with a very informal and short survey. This is an important but informal way for the city to say, “Thank you for doing business in Lake Elmo”. And ask, “are there any opportunities, concerns or issues that you want us to assist you with”?

Questions for the business survey could include:

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. Downsizing
 - b. Selling
 - c. Merging with or acquiring another business
 - d. Moving

- e. Closing
 - f. Expanding at this or another location
 - 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?

The business visits would begin in the 1st quarter of 2022 and be ongoing. Updates will be provided to the EDA Board Members on a regular basis, however, the businesses may request that the information shared be treated with confidentiality at any time on an individual basis. All requests for confidentiality will be honored.



DATE: October 28, 2021
REGULAR

AGENDA ITEM: Draft Economic Development Plan
TO: Economic Development Authority Commissioners
SUBMITTED BY: Kristina Handt, City Administrator

BACKGROUND:

At the September 30th meeting, the EDA voted to recommend the 2021-2023 Work Plan to the City Council. The City Council discussed it at their October 19, 2021 meeting and expressed concern about the amount of work required in the plan with the limited staffing. The plan was sent to the EDA for revisions.

ISSUE BEFORE COMMITTEE:

What changes would the EDA like to make to the work plan? Should action be delayed until a joint work session?

PROPOSAL DETAILS/ANALYSIS:

Are there items the EDA would like to change in the work plan? Should the EDA focus just on one or two items to complete in 2022? Like other commissions (Planning and Parks), perhaps the EDA does an annual work plan each year rather than a multi-year plan.

Where do items such as the business subsidy policy, possible TIF agreements and other economic development activity fit in?

The EDA should also take into consideration how often they will meet in 2022. I suggested we go back to quarterly meetings. The EDA should also discuss how much time the members will commit to the plan, such as business visits, in between the meetings.

Lastly, council also suggested it might be helpful to have a joint work session of the EDA and City Council to discuss priorities.

FISCAL IMPACT:

While most of the items can be completed with staff and commissioner time, the labor market study will have a financial impact. No cost estimates have been obtained at this point and no funding is included in the 2022 budget for the EDA.

RECOMMENDATION:

I'd recommend the EDA either wait for the joint work session with council or consider revising the plan to only include the BR&E program (assuming the commissioners can devote sufficient time outside of meetings to meet with businesses), the business subsidy policy and TIF agreements, and limit goal 2 to the first action step in the plan. Eng has provided a link to some data about Lake Elmo at <https://www.eastmetromsp.org/communities/lake-elmo/p/v/data/item/808/lake-elmo#population>

ATTACHMENT:

- Draft 2021-2023 Lake Elmo Economic Development Work Plan

2021 – 2023
Lake Elmo EDA
Economic Development Work Plan

Lake Elmo EDA Mission

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.

Goals

1. Develop strong relationships with existing businesses and explore options for a Business Retention and Expansion (B,R&E) Visitation Program
2. Develop data (talent availability, business types, demographic information)
3. Increase the number of commercial and industrial business
4. Develop and maintain sense of place and create new positive community perception

Planning Process

The purpose of this document is to serve as the Lake Elmo EDA 2021 Economic Development Strategic Plan with a planning horizon through 2023.

Strengths, Weaknesses, Opportunities and Threats / 2040 Comp Plan

To assist in the EDA's discussion and to help achieve the goals and action steps identified within this plan, a summary of the July 21, 2021 group discussion on Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and also includes maps from the 2040 Comprehensive Plan Update is included as Attachment A.

Goals/Action Steps/Deliverables

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

Action Step: City and Washington County CDA staff will research and explore options for a business retention and expansion visitation program. Staff will: 1) work to create a list for possible businesses to visit, 2) develop and recommend a proposed program structure including timing, 3) create a draft business survey and 4) discuss the potential interview process and overall program operations including reporting the survey results. Recommendations will be brought to the EDA for consideration, input and discussion.

Deliverables: Staff will be providing potential program options to EDA for discussion and consideration. This will begin in the fourth quarter of 2021 and will be ongoing.

2. Develop data (including talent availability, business types, demographic data)

Action Step: City staff with assistance from Washington County CDA staff and DEED will provide community demographic information (including but not limited to: talent availability, business types, community profile, demographic data).

Action Step: City staff with assistance from the Washington County CDA will explore hiring a consultant to update/undertake a detailed labor market study and then report back to the EDA Board.

Action Step: City staff with assistance from the Washington County CDA will explore options to obtain resident input through a survey and then report back to the EDA Board.

Deliverables: The labor market study and demographic/data study update will begin in 2022 or sooner contingent on available funding.

3. Increase the number of commercial and industrial businesses

Action Step: City staff with the assistance of CDA staff will explore opportunities to attract new businesses into the city. Updates to the EDA may include maintaining a list and periodic reports of commercial and industrial projects that are in the planning process, under construction and recently completed.

Action Step: City staff will showcase more economic development stories and business updates on the EDA website the CDA's website as well as in the City's Newsletter.

Deliverables: Staff will explore options to update the EDA's web presence including, considerations for a potential web platform, adding an inventory of available land and buildings, listing available business resources and developing a digital marketing plan and materials

{digital rollout} for business recruitment, expansions and retention. This will begin in the first quarter of 2022 and will be ongoing. Recommendations will be provided to the EDA members on a regular basis for discussion and input.

4. Develop and maintain sense of place and create new positive community perception

Action Step: The EDA will explore opportunities to develop and maintain a sense of place.

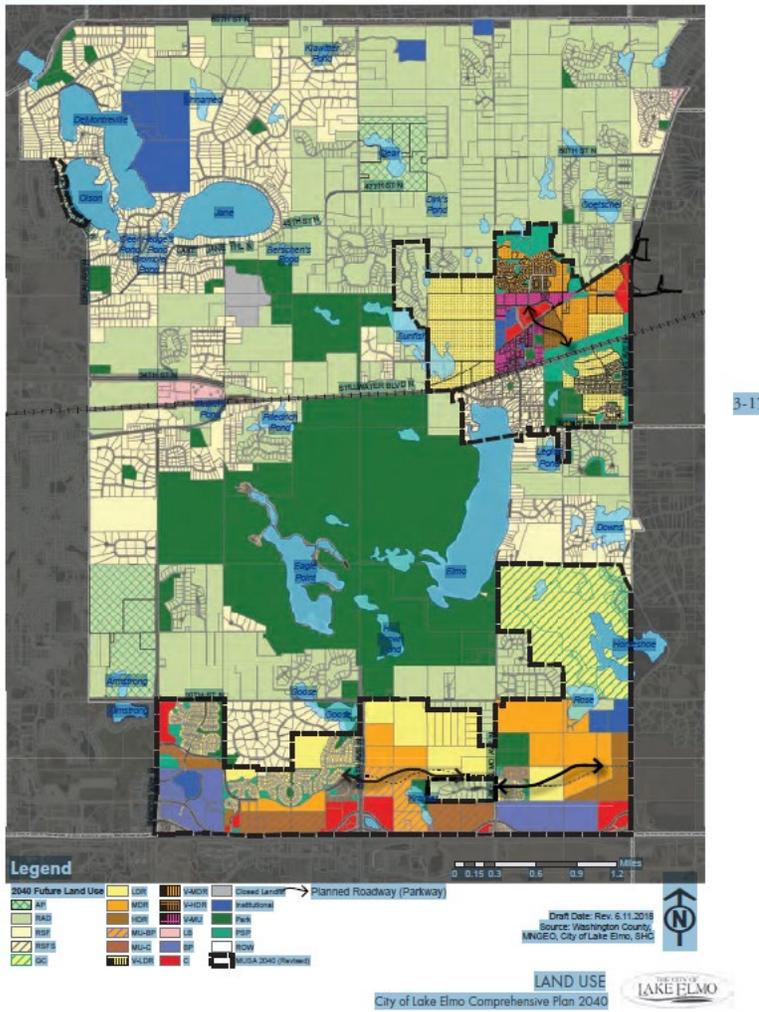
Action Step: A community asset and resources list will begin to be developed in 2021 and will be maintained on an ongoing basis.

Action Step: City staff with the assistance of CDA staff will meet with interested property owners, site selectors, commercial realtors, developers on an ongoing basis to promote development opportunities.

Deliverables: Staff will attend events attended by commercial realtors, developers and site selectors. This will begin in the second quarter of 2021 and will be ongoing.

Attachment A
2040 Lake Elmo Comprehensive Plan Map
Strengths, Weaknesses, Opportunities,
Threats Group Discussion

Map 3-3. Future Land Use Map



3-17

Strengths, Weaknesses, Opportunity, Threats Discussion

Lake Elmo EDA

July 21, 2021

Strengths

Available land (zoned, open, transportation)
Low tax base
Large residential base (high incomes)
Educated talent pool
Central geographic location
Highway 36 & I-94
Interest in development
Flexible zoning
Quality of life
Excellent schools

Weaknesses

Infrastructure availability
Neighboring communities
Perception (not business friendly)
Small city (talented city staff)
Conflicting goals
Clean energy
Economic incentives
Data on talent availability
Education/training
Transit

Opportunities

Demand for warehouse and industrial
Shift in workplace/telecommuting
Broadband
Downtown
Partner with County
Survey small businesses
Airport
Neighboring communities
Imation (4 Front)
Recreation opportunities
Truck/trailer parking

Threats

Competition neighbor communities
New workforce (post pandemic)
Social unrest
Economic future
Wisconsin
Perception of the past
Resources for businesses
Unknowns (Met Council)