



Economic Development

Year-end Activity Summary 2017

Why Elk River?

Elk River has developed a reputation as the light industrial hub of the Northwest metro.

Businesses have taken notice of our skilled workforce, transportation access, pro-business climate, and area schools that actively collaborate with local companies to meet their workforce needs.

Elk River is dedicated to development and you can count on us to work hard for you by:

- Assisting existing businesses with their expansion and growth needs.
- Assisting companies with relocation to Elk River.
- Maintaining a “how do we get this done” culture, shared by elected leaders and city staff.
- Seeking creative combinations of city, county and state financing tools

In 2017, the Elk River Economic Development Authority in collaboration with the Housing and Redevelopment Authority completed a review of all of our financial policies in an effort to create more user-friendly applications.

The EDA and the HRA also joined forces to create a Joint Finance Committee to review all financial applications going forward.

Director’s Message

The City of Elk River strives to be proactive and take actions to facilitate business growth, redevelopment, housing diversity, and reinvestment in the community. While job growth, business and wage growth remain robust, we will continue to push to higher levels in 2018.

In 2017, we experienced a boost in our local economy. We saw 113 new single family housing starts, a 35% increase over the previous year. Although no new commercial/industrial buildings were built in 2017, we have seen an increase in commercial/industrial redevelopment projects.

We also made 24 Business Retention and Expansion (BR&E) visits this year! BR&E visits help us gauge the strength of our business climate, help us improve our services and identify opportunities to support and grow our local businesses.

The EDA added the Beautification Committee which gained popularity as the year progressed. Ten businesses in the community were selected to receive awards recognizing them for either making substantial improvements to their property or maintaining their properties in an attractive manner.

In 2017, we received 16 inquiries from companies wanting information on how to expand, relocate, or start new. Although, not all of them will solidify plans to develop projects over the next year, we keep the line of communication open so when they are ready to make that next step, we are here to help.

In 2018, we look forward to attracting our targeted industries to our community to strengthen and diversify our tax base.

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Working to Grow Our Local Economy

Business owners consider many factors when deciding where to locate or grow their companies. One reason many find Elk River attractive is its Midwestern work ethic, focus on alternative energy, and public/private sector economic development partners eager to assist getting projects off the ground. Elk River EDA is proud to be one of those partners.

Economic Development Authority continues to assist in local business growth since it was established in 1987.

Project Tracking Report 2017 – City Incentive Provided

Project Year	Company	Acreage Developed	Jobs to be created	Total City Incentive	Private Capital Investment	Increase in Tax Base
2016-2017	Die Concepts, Inc.	0	12	\$335,200	\$926,000	\$9,025
2017-2018	Truck Shop	2.5	5	\$75,000	\$1,287,100	\$10,518
	Total	2.5	17	\$410,200	\$2,213,100	\$19,543

Die Concepts, Inc. completed their project in early 2017. The project resulted in the creation of 12 new fulltime jobs in Elk River and an increase of \$9,025 in annual property taxes. Employee wages range from \$23 per hour to \$29 per hour. They have since added another fulltime employee.

The Truck Shop Project is a redevelopment project located along Proctor Avenue. The project will feature a 7,216 square foot light maintenance facility for Beaudry Oil & Propane Company. They will be creating five new fulltime jobs paying \$15 per hour.

Project Tracking Report 2017 – No City Incentive Provided

Project Year	Company	Acreage Developed	Jobs to be created	Building Permit Revenue	Capital Investment	Increase in Tax Base
2017	Chow	6.08	125	\$65,285	\$3,500,000	\$42,300
2017-2018	Elk River Senior Living – 100 Units	4.49	60	\$320,684	\$18,000,000	\$149,600
2017-2018	Sherburne County Govt. Center	9.50	5	\$577,423	\$63,000,000	N/A
	Total	20.07	190	\$963,392	\$84,500,000	\$191,900

CHOW Mixed Grill and BBQ opened their doors on October 12, 2017. They employ over 125 full and part time employees. The restaurant features 8,654 square feet and can accommodate approximately 200 people.

Elk River Senior Living is currently under construction. They are projected to open July 1, 2018. The facility features 100 units of independent living, assisted living and memory care.

Marketing the city as a destination in 2017

We continue to partner with Sherburne County, Greater MSP, and Minnesota Marketing Partnership through the Minnesota Department of Employment and Economic Development (DEED). The partnerships allow us the opportunity to leverage our current marketing budget, attend market visits, conferences and trade shows that revolve around our four targeted industries.



Staff connected with the Minnesota Twins, Vikings, Wild and Timberwolves through paid advertisements in each affiliates yearbook. Each ad increased the city’s exposure by over 10,000 impressions. The city was one of several sponsors of the annual Minnesota Familiarization (FAM) Tour, which was attended by six site selectors from all over the country and Asia.

Also during 2017 staff moderated a data center forum, participated in an EDAM webinar with Xcel Energy, Great River Energy, Dakota Electric and GreaterMSP, presented at the Real Estate Journal Data Center Summit and exhibited at the annual MNCAR Expo and the annual Elk River Chamber Golf Tournament.

2017 Advertisements

Magazines	Subscribers	Cost	Cost/impression
10	333,250	\$26,899	\$0.08

Advertisements in over ten different publications increased the number of impressions over last year from 147,200 to 333,240 subscribers this year at an expense of \$0.08/impression. The advertisements showcased a new Vibe/Pulse look to the city’s logo. The Pulse represents a visual aspect of the city’s “Powered by Nature” brand.

Top Industries and Employment	
Healthcare – 4,489	Accommodation/Food – 1,878
Retail Trade – 3,225	Construction – 1,771
Manufacturing – 3,157	Public Administration – 1,566
Educational Services – 2,323	Transportation & Warehouse – 999
Administrative Support – 972	Other Services – 4,531
Population	Unemployment Rate
City of Elk River – 23,364	County – 2.7%
Sherburne County – 93,528	Minnesota – 3.1%
	U.S. – 4.1%
Demographics	Education
Median Age – 35.7	High School Graduate or Higher – 95.4%
Homeownership – 76.6%	Bachelor’s Degree or Higher – 30.8%
Median Household Income - \$83,585	
Median Home Value - \$214,900	

Summary of Business Retention and Expansion Visits

The City of Elk River and its EDA Commissioners have long understood the importance of conducting Business Retention and Expansion visits. These visits help build relationships between elected officials, city staff, the EDA and manufacturing businesses. In the past, meetings have ranged from formal surveys to informal meetings and tours of facilities. Our local business owners and development staff have found the informal visits to be the most beneficial.

Participating companies included companies associated with machining, plastics, aerospace & defense department, trucking, well drilling and geo thermal heating, steel work and metal fabrication, data centers, nursing homes, and auto service centers.

Aggregate Report of Business Retention and Expansion Visits

The aggregate report generated by Greater MSP is based on the raw data collected through the Salesforce software program. This aggregate report highlights responses from key questions asked during our visits. BR&E visits are intended to demonstrate our support for local firms, assist in resolving immediate business concerns, and identify process and policy improvements to improve our business climate.

