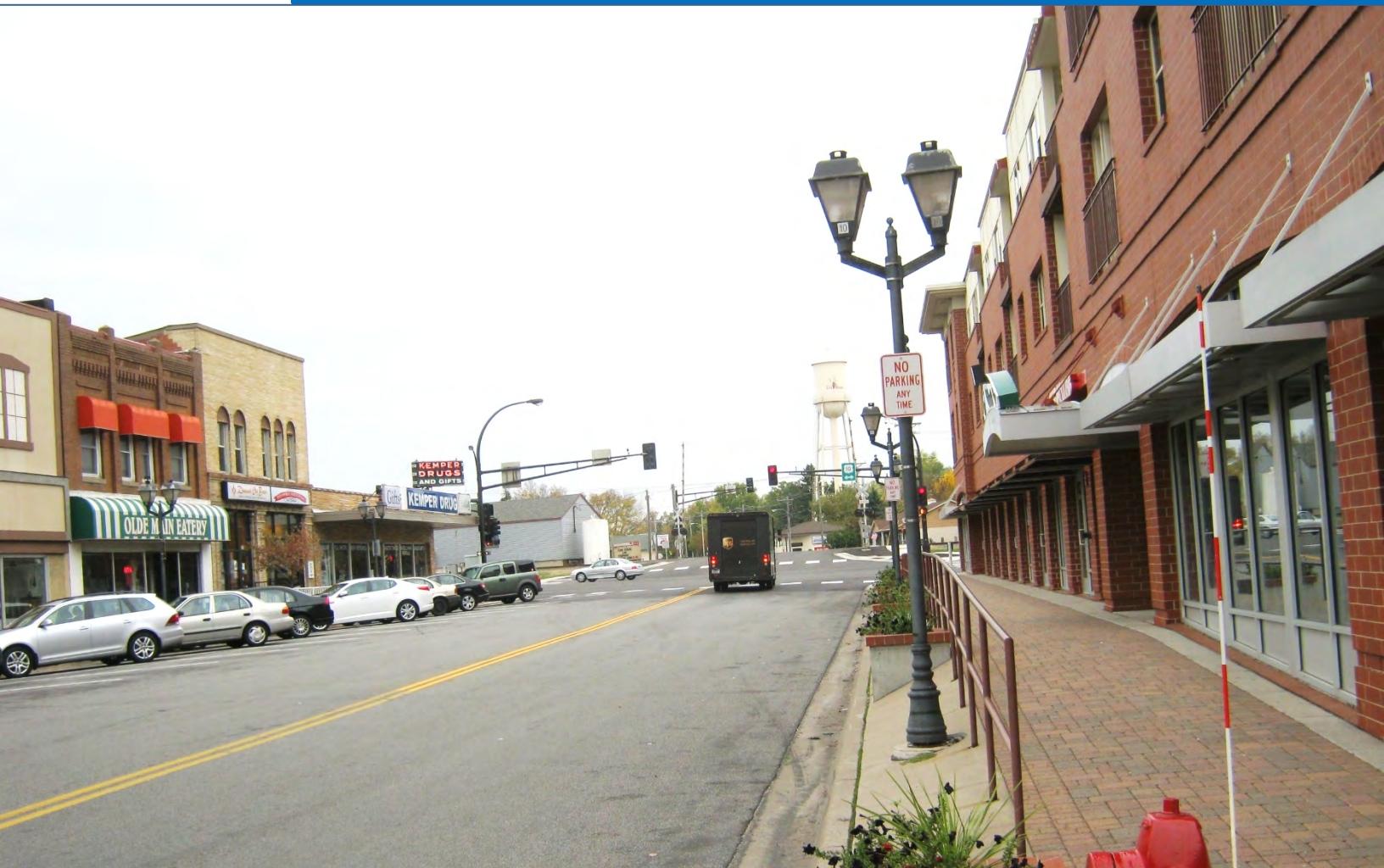




EDA STRATEGIC PLAN For Economic Development



January 2021

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Introduction

Elk River is a city with a strong economic foundation. It has benefited from fundamental strengths such as its natural setting along the Mississippi River, and its location at the crossroads of two transportation arteries. It has put focus and investment into its walkable downtown, a new multipurpose facility, its renowned parks and other amenities that contribute to the quality of life of Elk River residents. And it has fostered a vibrant business sector.

The Elk River Economic Development Authority (EDA) plays an important role in building and sustaining the economic strength of Elk River. The EDA is a public corporation empowered to undertake certain types of economic development projects. It is the economic development arm of the City Council and handles all types of city economic development projects—including project activities as acquiring, developing, improving, and disposing of property, entering into contracts, and operating and maintaining public affairs. It is staffed by Elk River’s economic development staff.

The EDA Strategic Plan is intended to guide the work of the Elk River EDA and economic development staff for a five to ten year period, encompassing the strategies and tasks that comprise the work plan of the EDA over that period of time. Many of these strategies are ongoing—a continuation of activities already undertaken by the EDA. Others are new undertakings and areas of focus.

The strategies and tasks of the EDA Strategic Plan reflect and support the City’s vision. They are rooted in the existing strengths and opportunities of Elk River itself. They have been shaped by extensive research and analysis. They have been further informed by the priorities and insights of EDA members and City staff. They will be shaped further as they are implemented by the EDA and its staff.

Strategic Plan Process

This strategic plan took form over a period of time starting in April 2020. In addition to economic research, the understanding of economic conditions and potential strategic opportunities were shaped by the following parties and processes.

Elk River EDA. The EDA offered its perspectives and insights during an introduction meeting and two EDA Workshops.

Focus Groups. Three focus groups were convened that focused on Manufacturing and Industry, Downtown Elk River, and Real Estate and Development.

Peer city benchmarking. Forest Lake, Oakdale and Chaska were identified as peer cities. For each city we conducted structured interviews to explore the management of economic development strategies relevant to Elk River. Interviewees were:

- Dan Undem, Assistant City Administrator, Forest Lake
- Nate Kabat, Assistant City Administrator, Chaska
- Bob Streetar, Community Development Director, Oakdale

Individual interviews. Individual interviews were conducted with the following people.

- **Paul Erickson**, Founder and former Executive Director of the National Sports Center in Blaine. Mr. Erickson offered his expertise and insights on the potential for sports tourism in Elk River.
- **Tim Storey**, real estate broker and hotel market specialist, Cushman Wakefield. Mr. Storey provided his thoughts on the potential for hotel development in Elk River.
- **Amy Lord**, Career and Technical Training Coordinator, ISD 728. Ms. Lord was interviewed about opportunities for deepening workforce training strategies in Elk River.

Elk River Staff. Elk River staff have been readily responsive in providing information and serving as a sounding board through the course of this study. They also served as tour guides for an Elk River site visit to many of the locations that are discussed in this report.

Each of these points of input and perspective have been critical in shaping the EDA Strategic Plan that follows.

Summary of Research and Recommended Strategies

An important intermediate product in developing this EDA Strategic Plan was the Summary of Research and Recommended Strategies. It documented the findings of the economic research that was undertaken to understand the Elk River economic context. And it proposed a broad set of recommended strategies that the City of Elk River might consider to strengthen its economy.

The strategies from the Summary of Research and Recommended Strategies were discussed with Elk River's economic development staff. They were processed in a workshop with the EDA. They were discussed further with City staff from multiple departments to discern the best parties within Elk River's city enterprise to champion and lead the various strategies. The "Recommended Strategies" that are most appropriately spearheaded by the EDA and Elk River's economic development staff are incorporated into this EDA Strategic Plan.

The Summary of Research and Recommended Strategies is included as an appendix to the EDA Strategic Plan.

Vision and Goals

Elk River's Vision Statement and Supporting Themes

The following are the vision and supporting themes of the City of Elk River. The EDA Strategic Plan plays a role in furthering the vision and supporting themes.

Vision Statement

Elk River is a welcoming community with revolutionary and spirited resourcefulness, exceptional service, and community engagement that encourages and inspires prosperity.

Supporting Themes

- Maintain a distinct identity
- Create and maintain strong neighborhoods
- Keep Elk River a "safe" place
- Preserve and maintain the environment
- Make Elk River a "complete" place
 - Community and economic development policies will seek to attract employment opportunities and goods and services needed by the community.
 - The expansion of local employment creates more opportunities for people to live and work in Elk River.
 - Planning and decision-making must recognize that the population of Elk River is not a single commodity. Difference in age, economic status and ethnicity must be considered in planning for future development, facilities and services.

Economic Development Goals

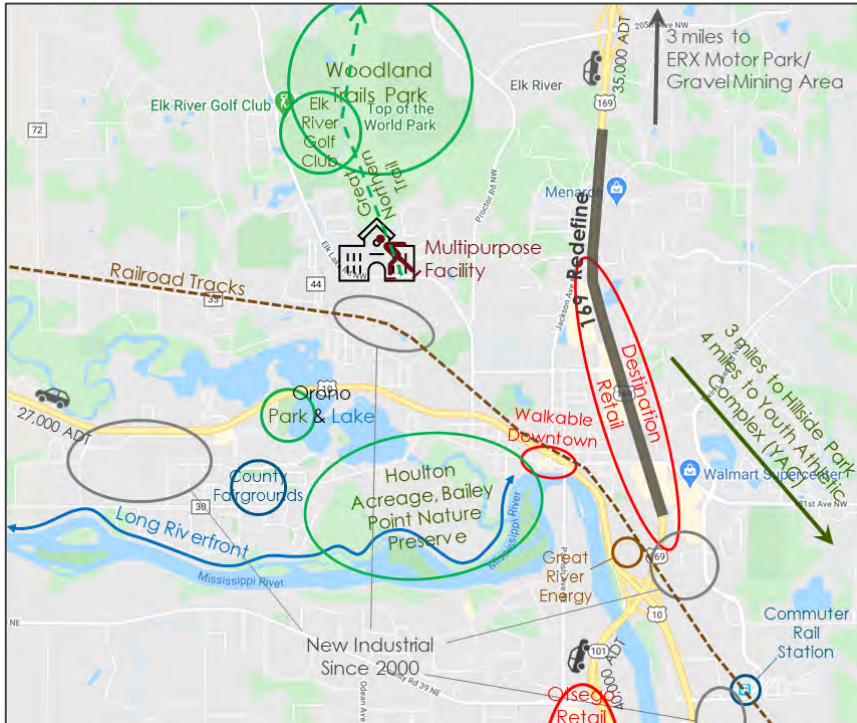
The following economic development goals are the focus of this EDA Strategic Plan and its organizing framework.

1. Support Elk River's existing businesses through relationship building, programmatic offerings, and high quality city services.

2. Attract new business development to Elk River to build the City's economic vibrancy, job offerings and tax base.
3. Support impacted businesses and capitalize on opportunities associated with the 169 Redefine project.
4. Support Elk River businesses through the COVID pandemic and take steps to foster a robust economic recovery.

Elk River's Economy

The following is a summary of economic research findings that are particularly important in shaping the EDA Strategic Plan. A more detailed report on the economic research that was undertaken for this plan is in the appendix.



Economic Development Context

Elk River's economic context was explored through geographic and asset mapping and an inventory of non-location-based assets, opportunities and deterrents to growth.

The City benefits from an abundance of natural amenities, with frontage along the Mississippi River, Elk River, and Orono Lake, and large wooded parks. Its highway infrastructure gives it strong connections in every direction, with further improvements on the horizon when a long stretch of Highway 169 is reconstructed.

The City has retail settings that benefit from the City's transportation connectedness to surrounding areas. They include the destination retail centers along Hwy 169 and the storefront business district in downtown Elk River.

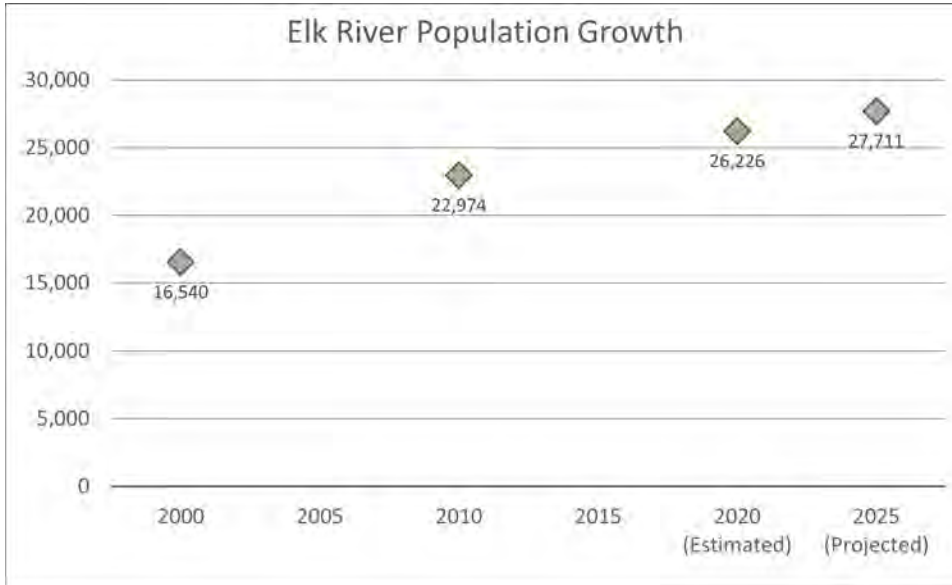
The City of Elk River has attended to the quality of life for its residents through the development of recreational opportunities in its park system, the creation of community

Elk River Economic Assets, Deterrents, Opportunities



space on its downtown riverfront, and its investment in a new community-serving multipurpose facility.

It has a robust existing manufacturing sector and a reliable energy provider. These characteristics provide a strong basis for attracting additional employers and jobs. The deterrents to growth include limitations on land for new industrial development.



Source: ESRI Business Analyst

Population Growth

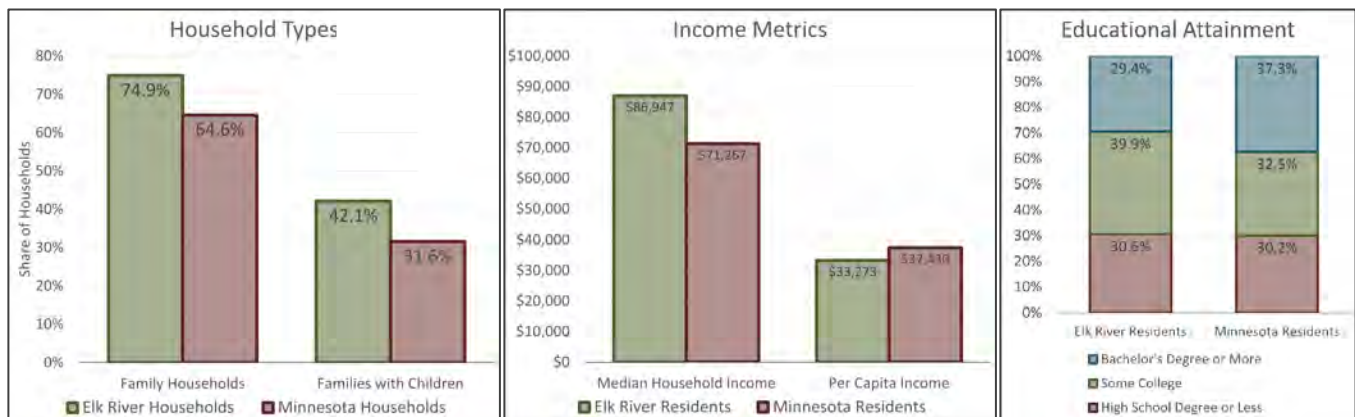
A growing population is an economic asset. It implies ongoing demand for new housing. It supports existing stores and service providers, and it provides a basis for new retail development. It bolsters the values of existing property, which provides an incentive for property owners to invest in maintenance and rehabilitation.

Demographics

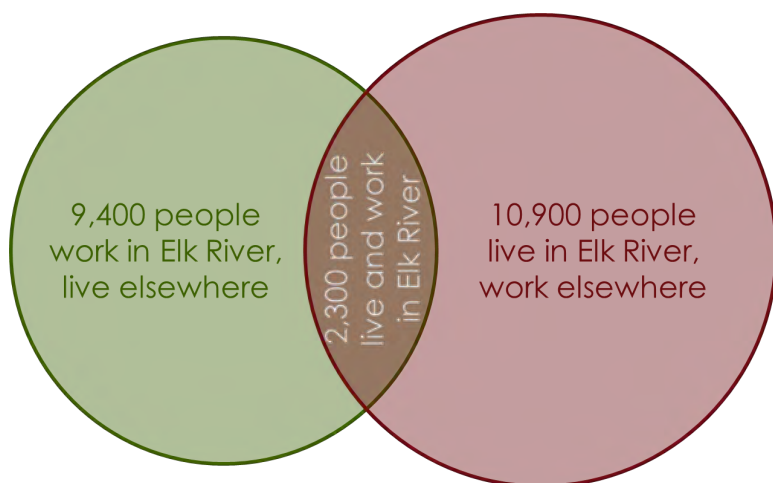
The following graphs provide an overview of Elk River's population. A higher proportion of households in Elk River are family households, compared with the state of Minnesota as a whole. Elk River households include an especially high proportion of families with children.

Household incomes in Elk River are around 22% higher than the state average, while individual incomes in Elk River are lower than the state average. That implies the prevalence of households in Elk River with multiple wage earners.

In terms of educational attainment, a similar share of Elk River residents have graduated high school as the state of Minnesota as a whole. But a lower proportion of residents have earned a bachelors degree or higher.



Source: ESRI Business Analyst (all charts above)



Source: U.S. Census Bureau's 2017
LEHD Origin-Destination Employment Statistics

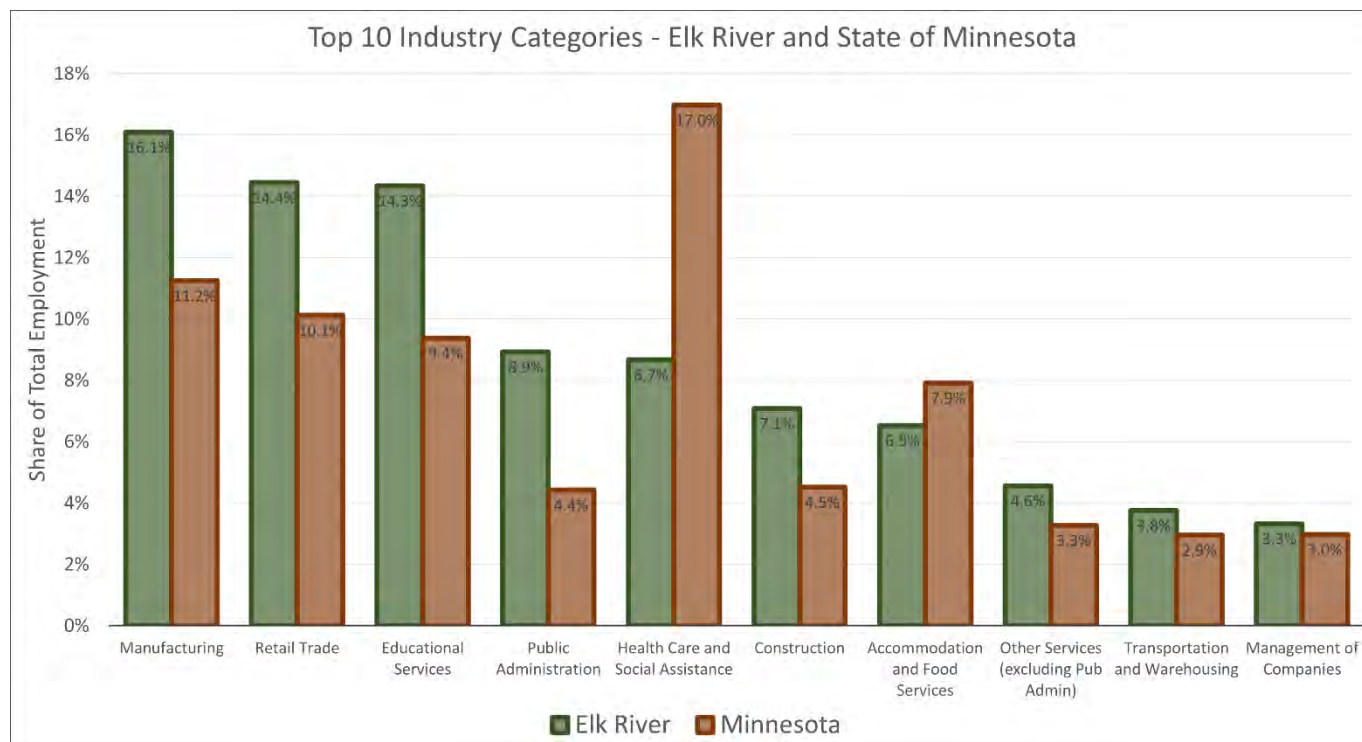
Elk River Employment and Workforce

Elk River is relatively job-rich for a city that is outside the state's major metropolitan areas, and is not a regional center. There are almost as many people coming to work in Elk River as there are people leaving Elk River to work elsewhere.

Elk River's roughly 11,700 jobs in 2017 was a 14% increase over a total of around 10,300 jobs from seven years earlier in 2010—reflecting a strengthening business environment. The growth in jobs is greater than the estimated increase in population over that period.

Industry Mix

The bar chart below shows the ten industry categories in Elk River that represent the highest shares of employment. In each case the share of employment in Elk River is compared with that industry's share of total employment state-wide.



Source: U.S. Census Bureau's 2017 LEHD Origin-Destination Employment Statistics

Note that 75% of jobs in Elk River are in just seven industry sectors:

- **Manufacturing**
- **Retail trade**
- **Educational services**
- **Public administration**
- Health care and social assistance
- **Construction**
- Accommodation and food services

These seven industry sectors comprise the core of Elk River's economy. The five that are distinctively strong relative to other parts of Minnesota are bolded. They comprise 61% of all of its jobs, and include three well paying employment sectors—manufacturing, public administration and construction.

Average Wages by Industry, Sherburne County, 2019

	Average Weekly Wage	Average Annual Pay
Manufacturing	\$1,157	\$60,163
Retail Trade	\$589	\$30,624
Educational Services	\$489	\$25,419
Public Administration	\$999	\$51,964
Health Care and Social Assistance	\$786	\$40,859
Construction	\$1,237	\$64,342
Accommodation and Food Services	\$299	\$15,538

Additional insights can be drawn relative to Elk River's top ten industry sectors by an analysis that shows which sectors have strengthened in recent years. That information is captured in the following table.

Elk River's Top Ten Industry Sectors

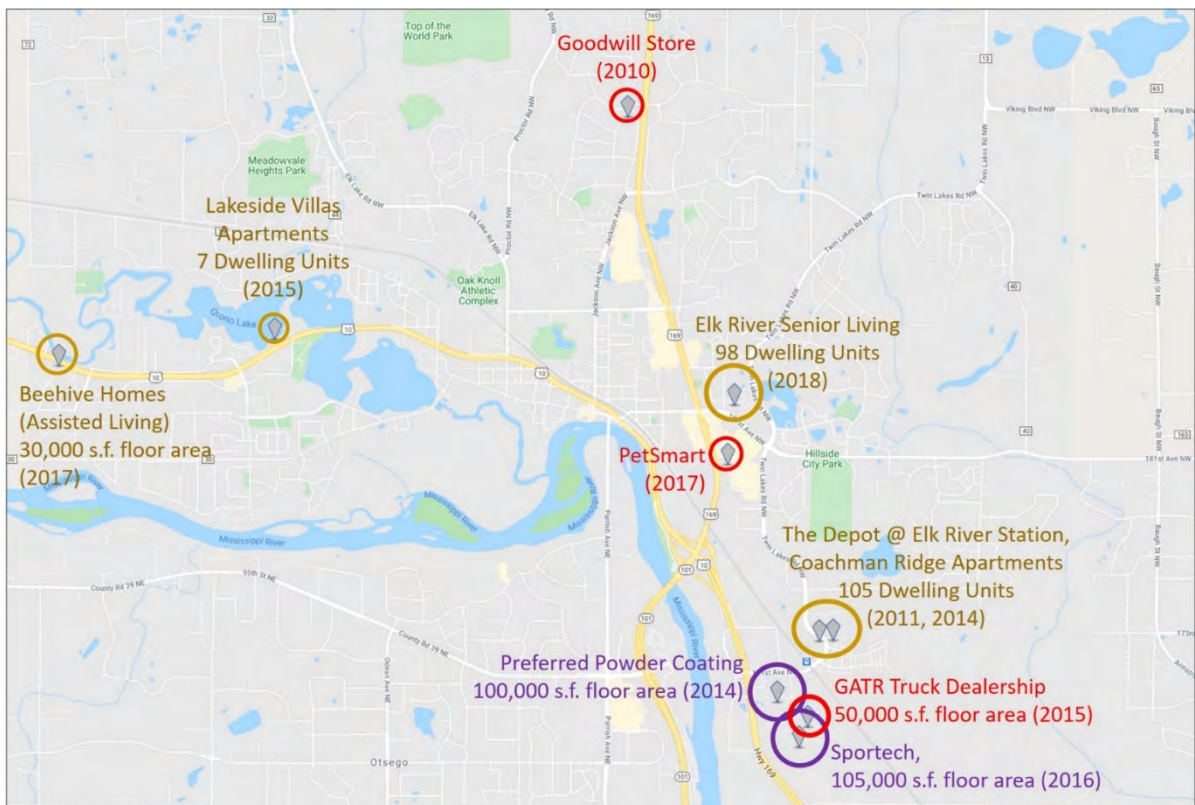
	Strengthened from 2010 to 2017	Had similar strength from 2010 to 2017	Weakened from 2010 to 2017
Over-represented in Elk River economy compared with the state economy	<ul style="list-style-type: none"> • Manufacturing • Construction 	<ul style="list-style-type: none"> • Retail Trade • Education Services • Public Administration 	<ul style="list-style-type: none"> • Other Services (excluding public administration) • Transportation & Warehousing
Similar share of Elk River economy compared with the state economy	<ul style="list-style-type: none"> • Management of Companies 		
Under-represented in Elk River economy compared with the state economy	<ul style="list-style-type: none"> • Accommodation & Food Services 		<ul style="list-style-type: none"> • Health Care & Social Assistance

This analysis points to the value of continuing to foster the manufacturing sector in Elk River. It indicates the benefit to Elk River of being the location of both Elk River and Sherburne County offices. It suggests there may be value in understanding and fostering the Elk River construction sector more intentionally. It raises the possibility that there may be opportunity to solicit additional health care facilities in Elk River.

Development Trends

Much of Elk River's development over the past decade has been in the form of housing development. According to ESRI business analyst, Elk River had 8,542 housing units in 2010, and 9,550 in 2020. Of that thousand new housing units, the great majority were single family homes and townhomes.

The map below provides an overview of new development in Elk River. It locates all new commercial development (which in real estate terminology includes multifamily rental housing) that has been completed in Elk River since 2010, according to the records of Costar, a real estate data provider. Two general occupancy apartments were developed in 2011 and 2014 near Elk River's Northstar commuter rail station. Senior living facilities were completed in 2017 and 2018 in west and central Elk River respectively.



Two industrial businesses built large new facilities, in 2014 and 2016. And three new retail properties were developed.

Goal #1

Support Elk River's existing businesses through relationship building, programmatic offerings, and high quality city services

Fostering a strong context for business in Elk River means giving attention and support to Elk River's many existing businesses. Supporting local businesses retains and builds jobs. It strengthens the City's identity as a center of economic and business activity. And it increases the City's attractiveness for new businesses.

The EDA shows its commitment to Elk River's business community through targeted programs and continuous quality improvement to City services. It will continue to meet with local businesses, offering support and soliciting input. It will review and improve existing business support programs. It will promote local businesses and encourage local shopping through initiatives such as Together Elk River.

STRATEGIES AND ACTIONS

1. **Business visitation program.** Continue the business visitation program, prioritizing businesses in target industries and newly established businesses.
 - Focus business visits on relationship building—learning about the business, its successes and its challenges—as well as problem solving and extending support as appropriate.

- Receive feedback on the City's business processes in order to support process improvements.
- Provide information about supportive programs and services—including City programs and referrals to other government or nonprofit resources.
- Continue to include a workforce training expert in business visits as appropriate

2. Business survey. Demonstrate the City's interest in and support of local businesses through an annual business survey.

- Utilize the annual survey to understand business conditions and needs, and to invite feedback on City processes.

3. Business process improvements. Convey a customer service orientation to the City's business community through soliciting input about City business processes, and utilizing that information to streamline processes and make them more user friendly.

- Through business visitation, the business survey and other communication, systematically note feedback about City actions, processes and practices. Note also the input of business owners concerning the clarity and availability of information about such processes and practices.
- Convey relevant information to administrative staff to support ongoing process improvements.
- Summarize and report annually on the input received from businesses and any enhancements made to City processes and communications.

4. Technical assistance. Explore contracting with a technical assistance provider (such as Metropolitan Consortium of Community Developers's Open to Business program) to make a broader menu of technical support services available to local businesses.

5. Economic Development Business Microloan Fund. Continue to offer the microloan programs that are available to existing businesses—Industrial Incentive Loan, Downtown Revitalization Financing Loan, Energy Efficiency Improvement Loan—while

improving communication about their availability and evaluating their fit with business needs.

- Make additional and ongoing efforts to promote the Energy Efficiency Improvement Loan program in order to increase its utilization.
- Conduct an evaluation of the Downtown Revitalization Financing Loan program to ensure that the resources that it provides are adequate for and suited to the needs of downtown buildings, so as to preserve the historic integrity and character of downtown Elk River.

6. Together Elk River. Continue the Together Elk River program to promote shopping at local businesses.

- Support the continuation of the Together Elk River program, and its adjustment to meet the evolving needs of the City, such as support for businesses along Highway 169 who may experience reduced customer traffic due to the construction project.

7. Hospitality. Strengthen tourism to Elk River, and support business and household visitors, and food and beverage businesses, by attracting additional hotel development.

- After the post-pandemic stabilization of the hospitality industry, commission a hotel market study to analyze the market demand for a new hotel in Elk River, and identify the hotel brands that may be attracted to potential locations in Elk River.

Goal #2

Attract new business development to Elk River to build the City's economic vibrancy, job offerings and tax base

Elk River offers a rich cluster of strategic advantages that are and will remain attractive to a wide range of businesses. These include its central location at a transportation crossroads, its reliable utility infrastructure, its tradition of manufacturing, its high design standards for new development, and the workforce development linkages that it promotes with local businesses. This has resulted in concentrations of businesses in a wide range of market sectors, and benefited the city through the availability of a great number of living wage jobs, a strong and diversified tax base, and the provision of goods and services to meet the daily needs of its residents.

Elk River is committed to growing its business sector through attracting new business development. The EDA will support this goal through promoting and marketing the City, through positioning land for interested parties, and through utilizing targeted incentives.

STRATEGIES AND ACTIONS

- 1. Promotion and Marketing.** Market and promote Elk River and its numerous locational strengths to the broader business and real estate community, with an emphasis on reaching a set of target industries that benefit from Elk River's unique strengths.

- Continue an array of marketing and networking activities, including advertisements in trade publications, relationship building with site selectors, attendance at trade shows, and event sponsorships. Experiment creatively with new approaches and media for reaching out to and recruiting compatible businesses to Elk River.
- Sharpen the message about Elk River strengths, and make that prominent and repetitive in marketing and communications materials. In particular, highlight the following characteristics throughout the City's economic development websites and in all of the EDA's promotional materials—its transportation connectedness, the quality and reliability of local energy and utility infrastructure, its thriving manufacturing sector, and its abundant quality of life features.
- Update the City's target industries to three that particularly benefit from Elk River's locational strengths— precision or high skill manufacturing, renewable energy, and companies with statewide or regional distribution.
- Create a site map of the Northstar Business Park to include in City marketing materials in order to illustrate the broader context of the City-owned properties in that high quality business park.

2. Land availability. Take proactive steps to ensure and communicate the availability of land that is suitable and prepared for new industrial development.

- Pursue proactive and collaborative conversations with key property owners such as Cargill and Tiller Corporation, to identify land that can be dedicated to and guided for a future business park to the mutual benefit of the City and the property owner.
- As future business park land is identified and becomes available, take proactive public sector actions to create and convey a coherent vision for the business park. Develop a site map for the future business park to include in materials for site selectors, interested businesses and developers.
- Take actions such as updating land use guidance/zoning, creating business park master plans, ensuring utility provision, and undertaking related land preparedness activities—which situate it for ready development.

3. Incentives for new business development. Utilize the City's toolkit of incentives as warranted and at appropriately levels to invite

new businesses in Elk River, with an emphasis on the City's target business sectors and businesses that provide living wage jobs.

- Establish a tax abatement policy that sets a standard for the level of tax abatement that may be available for new business attraction.
- Set employment targets and wage expectations as a condition of providing public financial support to new businesses.

4. Sector-specific opportunities. Explore opportunities to build new activity in sector-specific business ecosystems in agriculture/food related businesses, renewable energy, biomedical manufacturing and medical services.

- Given Elk River's strength in providing reliable high-quality energy and its legacy of energy related businesses, and given the greater Minnesota orientation of many renewable energy businesses, explore the potential of fostering a cluster of renewable energy businesses in Elk River, including consideration of a renewable energy incubator program.
- Collaborate with Elk River's existing biomedical manufacturers to identify opportunities for supply chain and other synergistic businesses that would strengthen the local biomedical business ecosystem.
- Assemble a marketing packet that documents the demand for health care services in Elk River and the relatively limited supply of service providers. Initiate conversations with specific health care providers to explore whether they could see an opportunity in locating new health care services in Elk River.

Goal #3

Support impacted businesses and capitalize on opportunities associated with the 169 Redefine project

The redesign and reconstruction of Highway 169 through Elk River will provide numerous economic and quality of life benefits to Elk River. It will also result in significant business disruption during the period of construction.

The City is committed to protecting its business community and advancing its economic interests through attending to the aesthetic and identity building character of the highway and bridge infrastructure, through mitigating the impact of construction on existing businesses, and through capitalizing on the new development opportunities that will emerge at the new interchanges.

The EDA's support for these economic objectives will primarily center on the impacts of construction on existing highway oriented businesses in the 169 Redefine project area.

STRATEGIES AND ACTIONS

- 1. Economic and business impacts.** Advance the City's economic goals and objectives through the duration of the 169 Redefine construction project.

- In coordination with the Elk River City Council, adopt a statement of Elk River's objectives relative to the 169 Redefine project, highlighting priority goals such as the provision of effective signage and wayfinding during construction, and the inclusion of aesthetic enhancements in the bridges and/or other structures completed which contribute to the distinctiveness of Elk River.
- Include an economic development staff person in regular city staff meetings with the 169 Redefine staff team, in order to maintain a focus on the economic impacts and opportunities of the project.
- Develop and implement a business outreach BR&E program and group. The 169 Redefine BR&E Group would be represented by staff from economic development, planning, communications, engineering and representatives from MnDOT and Sherburne County Public Works. The 169 Redefine BR&E Group will conduct weekly meetings in the corridor during construction. Communication and Economic Development staff will post updates on the city's and EDA websites along with the respected social media outlets. The program will focus on mitigating business losses, share resources to impacted businesses, and keep the community abreast of the evolving project.

Goal #4

Support Elk River businesses through the COVID pandemic and take steps to foster a robust economic recovery

The COVID pandemic has had tremendous impacts on many small and local businesses. Some have gone out of business. Others have experienced extreme financial stress that may go on for some time. Cities can play a role in providing support for impacted businesses.

The City of Elk River has shown its support for impacted businesses through a Small Business Emergency Microloan Program, and by creating a shop local program—Together Elk River. As the business impacts of the pandemic continue, Elk River will consider additional steps to support its local business community. And as the pandemic subsides the City will look for ways to foster a strong economic recovery.

STRATEGIES AND ACTIONS

- 1. Local business support.** Continue to identify and evaluate opportunities for extending support to local businesses impacted by pandemic-related economic conditions.
 - As COVID pandemic impacts on local businesses continue, consider taking additional supportive actions related to providing additional financial relief, increasing the availability of technical assistance, reducing municipal financial or procedural burdens on businesses, and communicating about the availability of assistance from other parties.

- In the near term, continue to focus the Together Elk River program on businesses that are experiencing hardship caused by the COVID-19 pandemic.

2. Recovery funding. Monitor the emergence of national, state, and county programs and resources aimed at supporting post-COVID economic recovery.

- Take steps to access, or direct local businesses to, new programs or resources that emerge that can be utilized for post-COVID business recovery.

Acknowledgements

There are many whose engagement, insights, expertise and local knowledge have contributed in important ways to the development of the EDA Strategic Plan.

Special thanks to the following:

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Dan Tveite
Jennifer Wagner
Matt Westgaard

Elk River City Staff

Amanda Othoudt
Colleen Eddy
Calvin Portner
Zack Carlton

Peer City Interviewees

Nate Kabat, Chaska
Bob Streetar, Oakdale
Dan Undem, Forest Lake

Other Interviewees

Paul Erickson, MN Amateur Sports Commission
Tim Storey, Cushman Wakefield
Amy Lord, ISD 728

Appendix

Summary of Research and Recommended Strategies



SUMMARY OF RESEARCH AND RECOMMENDED STRATEGIES

EDA Strategic Plan
Elk River, MN
November 5, 2020

INTRODUCTION AND EXECUTIVE SUMMARY

Elk River is a city with a strong economic foundation. It has benefited from fundamental strengths such as its natural setting along the Mississippi River, and its location at the crossroads of two transportation arteries. It has put focus and investment into its walkable downtown and other amenities that contribute to the quality of life of Elk River residents. And it has fostered a vibrant business sector.

Stantec was contracted to:

1. Understand the City's economic development context, activities and achievements
2. Identify opportunities for further strengthening the City's economy in the future
3. Encapsulate the City's program for continued economic growth in an EDA Strategic Plan

This document, Summary of Research and Recommended Strategies, addresses the first two of these objectives, and sets the stage for the upcoming workshop with Elk River's EDA and economic development staff.

Part 1 – Research Summary

Part 1 of this document summarizes the research of the consultant team, and illuminates important aspects of Elk River's economic development context. Key findings include:

- A thorough inventory of geographic and non-geographic assets, deterrents and opportunities that define Elk River's economic context.
- A population trendline and forecast that anticipates continued population growth, which implies ongoing demand for housing and other development, and eventually new demand for store-based retail development.
- A demographic snapshot indicating a high proportion of families and children, and larger than average household incomes.
- A very healthy job base, with most workers drawn from Sherburne, Wright, Anoka and Hennepin Counties.
- And industry mix in which:
 - Seven sectors predominate (manufacturing, retail trade, educational services, public administration, health care and social assistance, construction, accommodation and food services).
 - There is a good supply of jobs that are well paying—particularly in the manufacturing, public administration and construction sectors.

- Three sectors provide the greatest opportunity for further increases in living wage jobs: Manufacturing, construction, and health care and social assistance.
- The moderate levels of new multifamily and industrial development in the last decade imply ongoing development demand in those sectors.
- The low level of retail development, the current pandemic conditions for store-based retail and restaurants, and the potential for lasting changes in consumer preferences toward retail delivery models—these factors suggest that new retail development may not be on the horizon for several years at a minimum, and maybe until continued population growth offsets the adverse structural changes to the retail market context.

Part 2 – Recommended Strategies

Part 2 of this document gathers and presents a set of opportunities for advancing the good work that's been done by the EDA and its staff, to further strengthen Elk River's economic vibrancy. The consultant team was responsive to the City's expressed interest in a broad set of economic development topical areas, investigating them through focus groups, individual interviews, and additional topical research. Recommended strategies emerged in that process under six broad headings. Key opportunities are highlighted below.

169 Redesign. In a project that will relieve persistently problematic congestion through the city, the City has an immediate opportunity to weigh in on ways to protect existing businesses and enhance Elk River's image. We recommend preparing and implementing a City advocacy strategy. This should include a constructive statement of Elk River's aspirations for desired outcomes from the project, as well as concerns regarding potential adverse impacts both during construction and after completion. The strategy will map out an action plan for sustained advocacy throughout the duration of the project.

Business Attraction & Retention. The City has a solid existing program in this core area of economic development. We recommend means of strengthening that program through strategies including:

- Identifying land for future industrial development. (Considerations were explored relating specifically to land in the gravel mining area and Cargill owned property.)
- Updating the City's target industries to three that underscore the City's most salient economic strengths—precision manufacturing, businesses with state-wide or regional customer bases, and data centers. Those target industries emphasize the City's concentrated strength in manufacturing, its transportation connectedness, and its reliable energy infrastructure.
- Maximize the attractiveness of future industrial parks by undertaking a set of proactive actions to set the stage for and demonstrate readiness for new development.
- Utilize tax abatement as the primary public incentive for new industrial development and establish a policy that defines the level of abatement that can be considered.

Redevelopment/Catalysts. Elk River has several locations that have the potential to be highly attractive to the development community. Stantec reviewed the planning basis for development in the gravel mining area, in downtown Elk River, and in the emerging opportunity at the Great River Energy site. For each area we recommend steps to set the stage for attracting high quality development. We also recommend the modification of the City's tax increment finance policy to support its utilization for redevelopment and multifamily housing projects in Elk River.

Quality of Life. Although not a core responsibility of the EDA, investments and programmatic activities that enhance the quality of life are economic development strategies, contributing to Elk River's economic vibrancy. We recommend a continued focus on the health and vibrancy of Elk River's downtown, and extending the impact of downtown both upstream and downstream through the implementation of trail extensions along the Mississippi Riverfront.

Tourism. Elk River has a set of distinctive local assets—its high quality sports facilities, its well-known mountain biking course, and the ERX event center—that draw numerous visitors to Elk River from outside the City. We explored the opportunity to leverage those assets to boost tourism to an economically meaningful level. That appears to be unviable—principally because Elk River's proximity to the Twin Cities Metro dampens the likelihood of visitors staying overnight. As an alternative, we recommend:

- Promoting news coverage of events at these and other venues to raise the regional visibility of Elk River
- Exploring ways of cross-marketing Elk River's retailers, restaurants and amenities to event participants.

COVID Economic Recovery. We expect an infrastructure oriented economic stimulus bill to come out of the 2021 Congress. During the Great Recession, local governments were eligible to submit proposals for such funds if they had projects that were ready to go. We recommend reviewing Elk River's capital improvements program and goals for one or more projects that may be positioned for such funding.

Part 3 – Funding Strategies

Part 3 of this document provides the analysis of Stantec's funding specialist, Heidi Peper. She reviewed and analyzed the strategies that have emerged for Elk River, and identified a range of potential sources of external funding that could be pursued to support the implementation of recommended strategies. A select number of funding opportunities that are deemed to be most promising and compatible with Elk River's strategic goals are highlighted and described in additional detail.

PART 1:

SUMMARY OF RESEARCH

ELK RIVER'S ECONOMY

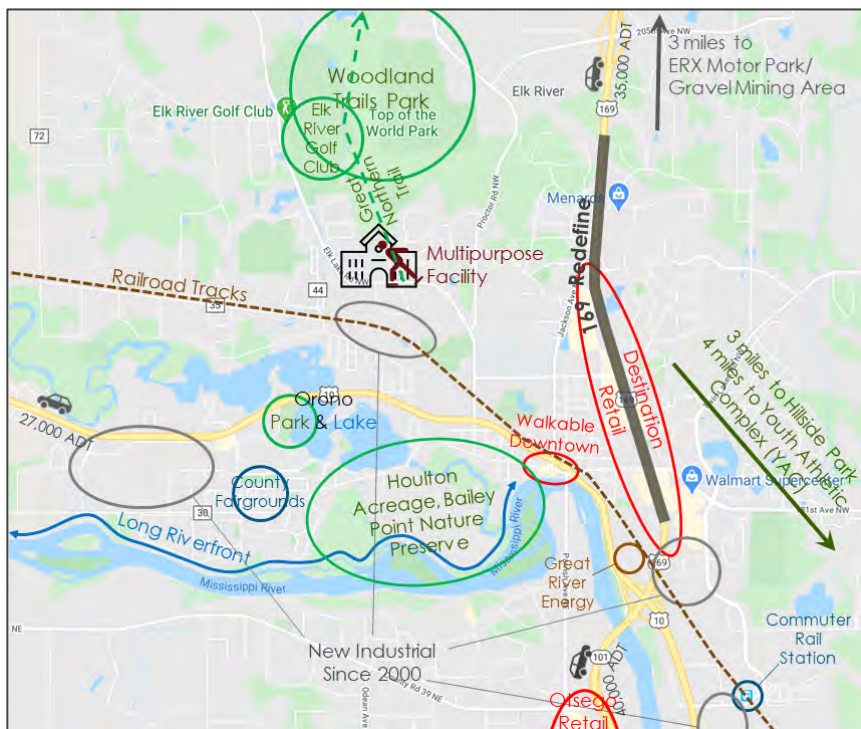
This section of the report provides information relative to Elk River's economy. That provides a basis for the consideration of strategies for strengthening it. Two subsections follow. The first focuses on the locational characteristics of Elk River that are significant and that shape its economic opportunities. The second provides descriptive data and analysis in exploration of Elk River's economy and its economic performance.

Economic Development Context

Elk River's economic context has been explored through geographic and asset mapping that have been refined over the course of a number of conversations with the Elk River EDA and other stakeholders.

Economic Context Map

Elk River benefits from an abundance of natural amenities, with frontage along the Mississippi River, Elk River, and Orono Lake, and large wooded parks. It's highway infrastructure gives it strong connections in every direction, with further improvements on the horizon when a long stretch of Highway 169 is reconstructed.



The City has retail settings that benefit from its accessibility to the surrounding area. They range from the destination retail centers along Hwy 169 to the storefront business district in downtown Elk River.

The City of Elk River has attended to the quality of life for its residents through the development of recreational opportunities in its park system, the creation of community space on its downtown riverfront, and its investment in a new community-serving multipurpose facility.

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Assets, Deterrents and Opportunities

The honeycomb array below identifies many of Elk River's important economic assets, as well as some deterrents to economic growth, and some opportunities that are on the horizon.



Elk River's Economy

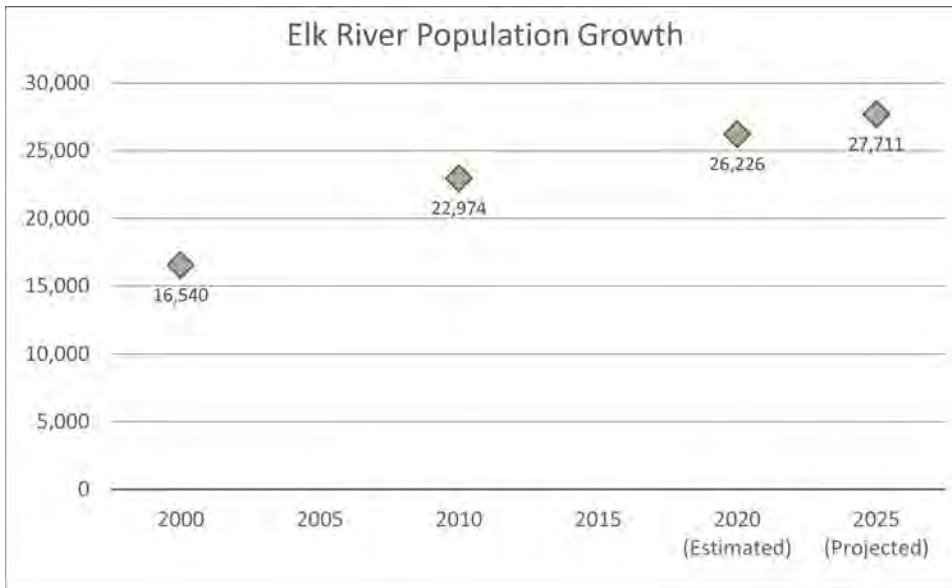
Population Growth

Elk River is a growing city, and a growing population is an economic asset. It implies ongoing demand for new housing. It supports existing stores and service providers, and provides a basis for new retail development. It bolsters the values of existing property,

which provides an incentive for property owners to invest in maintenance and rehabilitation.

Conversely, where population is stable or declining, it can be difficult to attract new development. Maintenance and improvements to existing development tend to lag because those investments may not bring an economic return.

The City of Elk River has experienced growth over recent decades, and that growth is expected to continue.



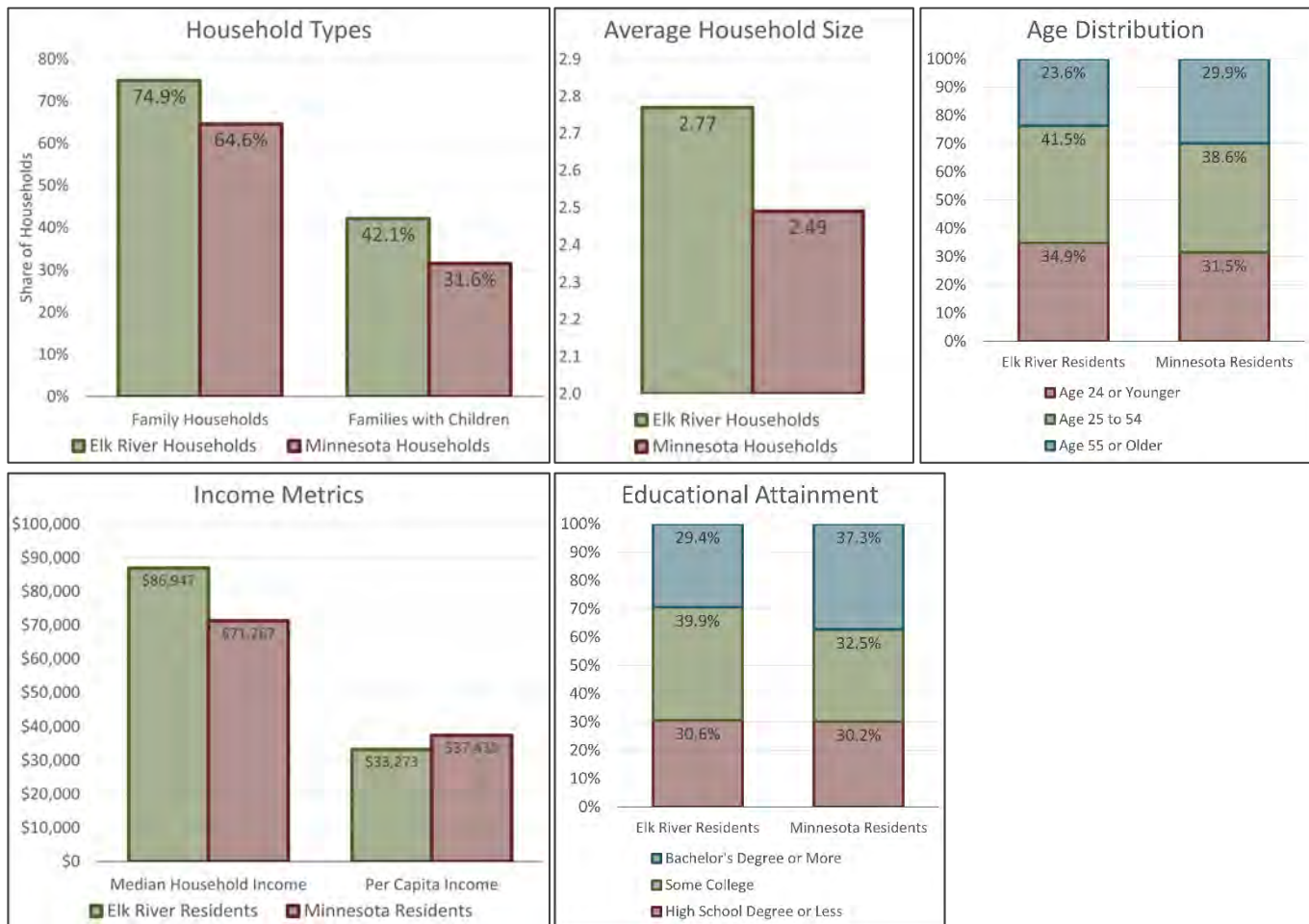
Source: ESRI Business Analyst

Demographic Snapshot

The following graphs provide an overview of Elk River's population. It is a family oriented community. A higher proportion of households in Elk River are family households, in comparison with the state of Minnesota as a whole. Elk River households include an especially proportion of families with children. Those factors explain average household sizes that are higher than the state average, and are reflected in an age distribution that skews younger than the state as a whole.

Household incomes in Elk River are around 22% higher than the state average, while individual incomes in Elk River are lower than the state average. That implies the prevalence of households in Elk River with multiple wage earners.

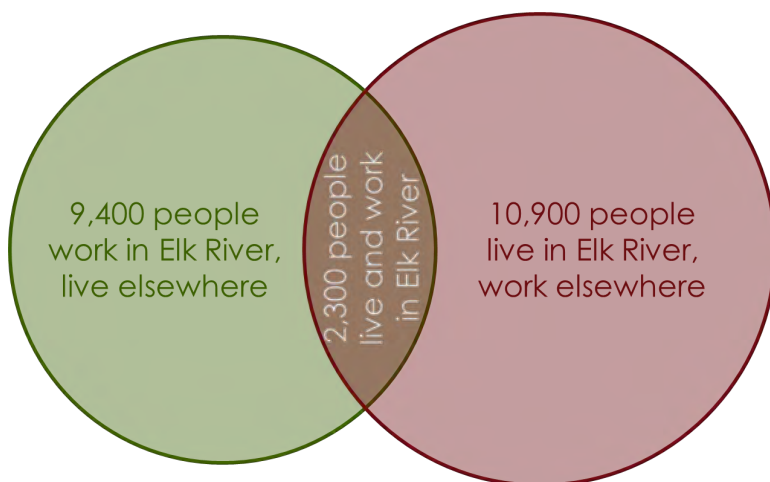
In terms of educational attainment, a similar share of Elk River residents have graduated high school as the state of Minnesota as a whole. But a lower proportion of residents have earned a bachelors degree or higher.



Source: ESRI Business Analyst (all charts above)

Elk River Employment and Workforce

Elk River is not a “bedroom community.” It is relatively job-rich for a city that is outside the state’s major metropolitan areas, and is not a regional center. There are almost as many people coming to work in Elk River as there are people leaving Elk River to work elsewhere. The chart at left reflects that reality, utilizing data from the U.S. Census Bureau’s LEHD Origin-Destination Employment Statistics.

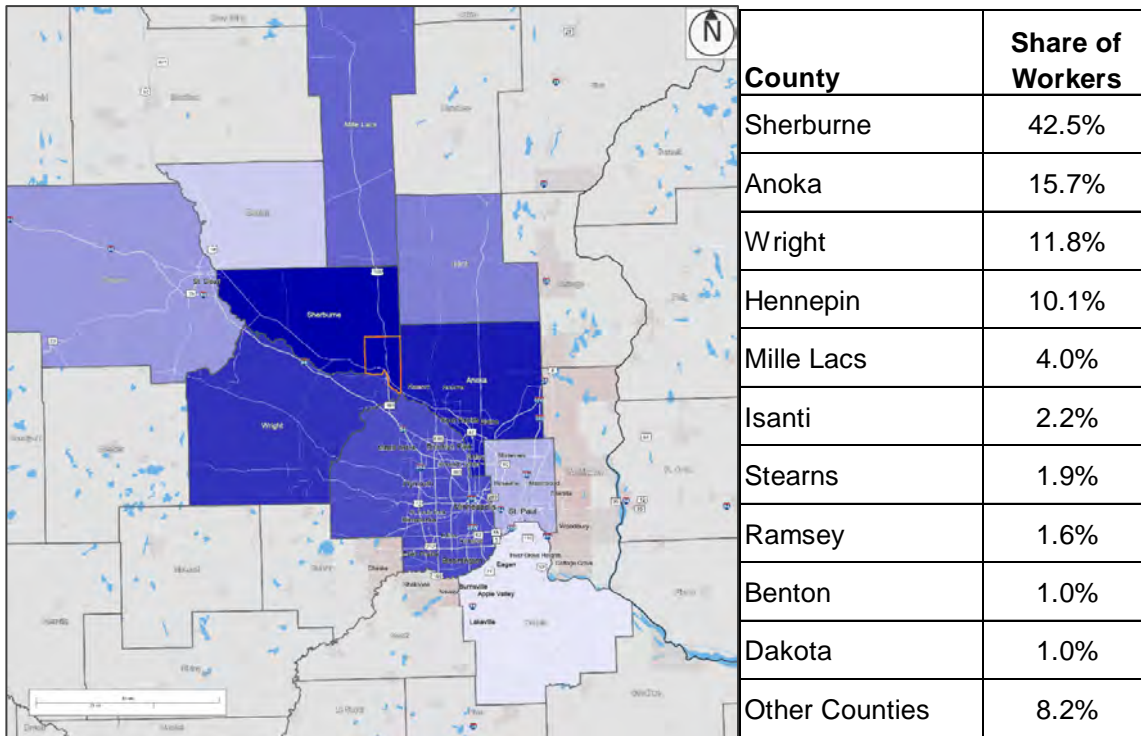


The chart’s data are from the year 2017, which is the most current year that is available from the Census Bureau. Elk River’s roughly 11,700 jobs in 2017 was a 14% increase over a total of around 10,300 jobs from seven years earlier in 2010—

reflecting a strengthening business environment. The growth in jobs is greater than the estimated increase in population over that period. Note that the ESRI Business Analyst data above showed a 14% population increase, but over a longer period of time from 2010 to 2010. On the other hand, the 2017 data doesn't take into consideration the recent closures of Elk River's Great River Energy facilities.

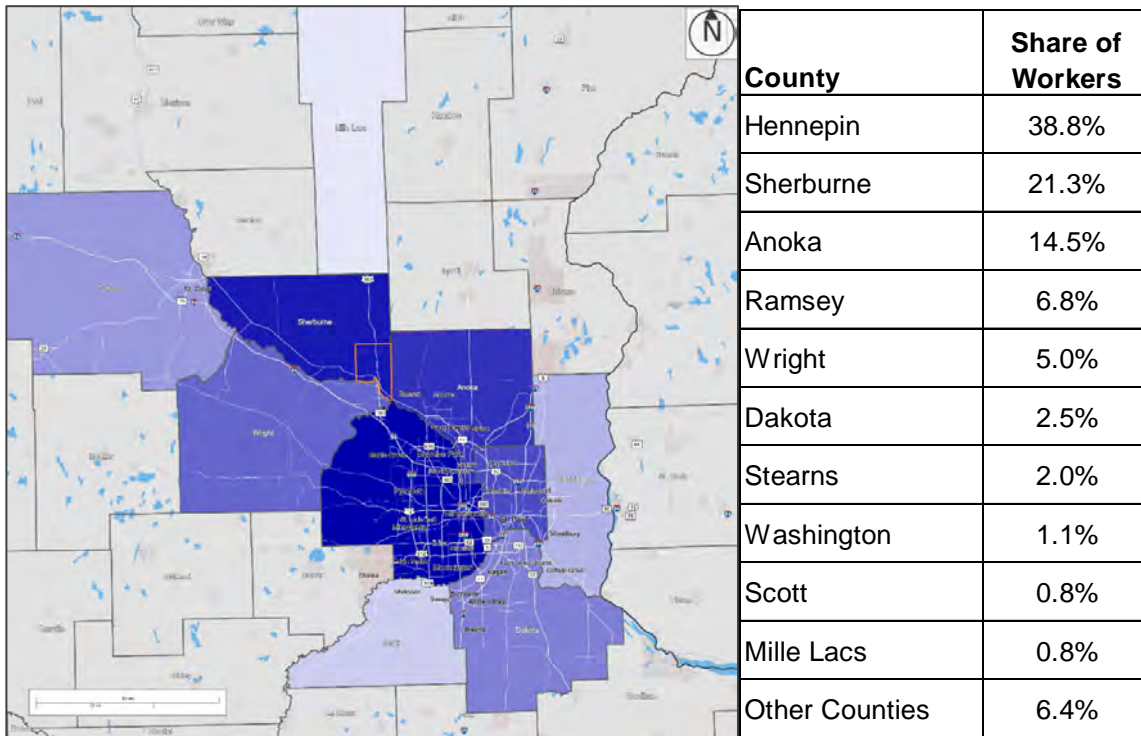
It is interesting to note that the work destinations of Elk River residents are quite different than the home locations of those who come to jobs in Elk River. For example, Hennepin County is the most common work destination for Elk River Residents. But it only ranks 4th among the home counties that Elk River workers come from. The maps and tables indicate the top ten counties where those who work in Elk River are coming from, and the top ten counties where Elk River residents go to work.

Home Counties of Elk River Workers



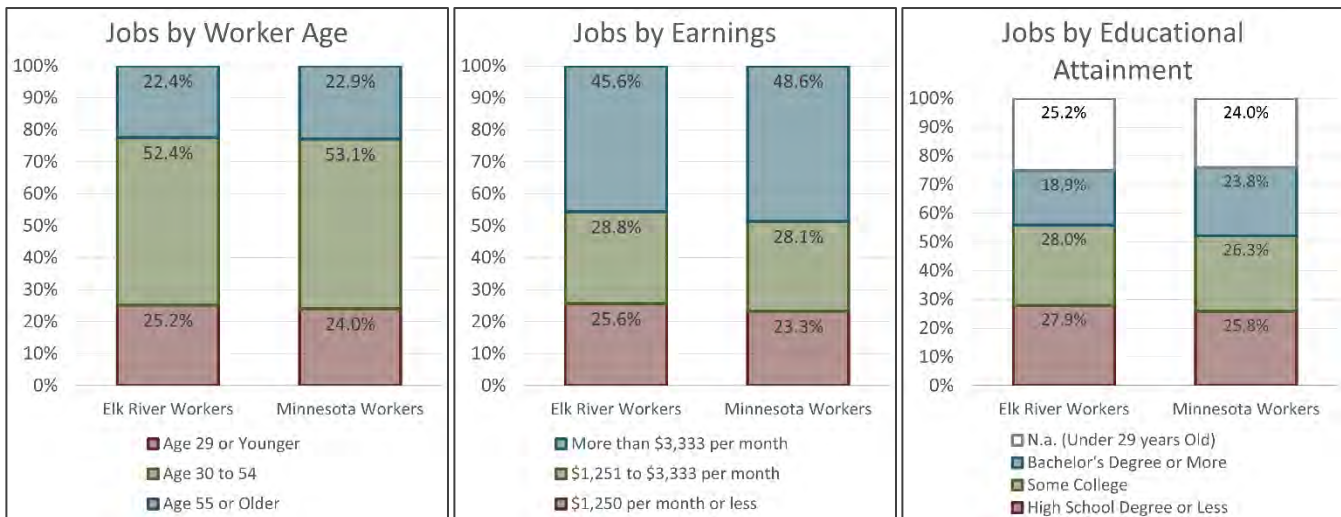
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

Work Destination Counties of Elk River Residents



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

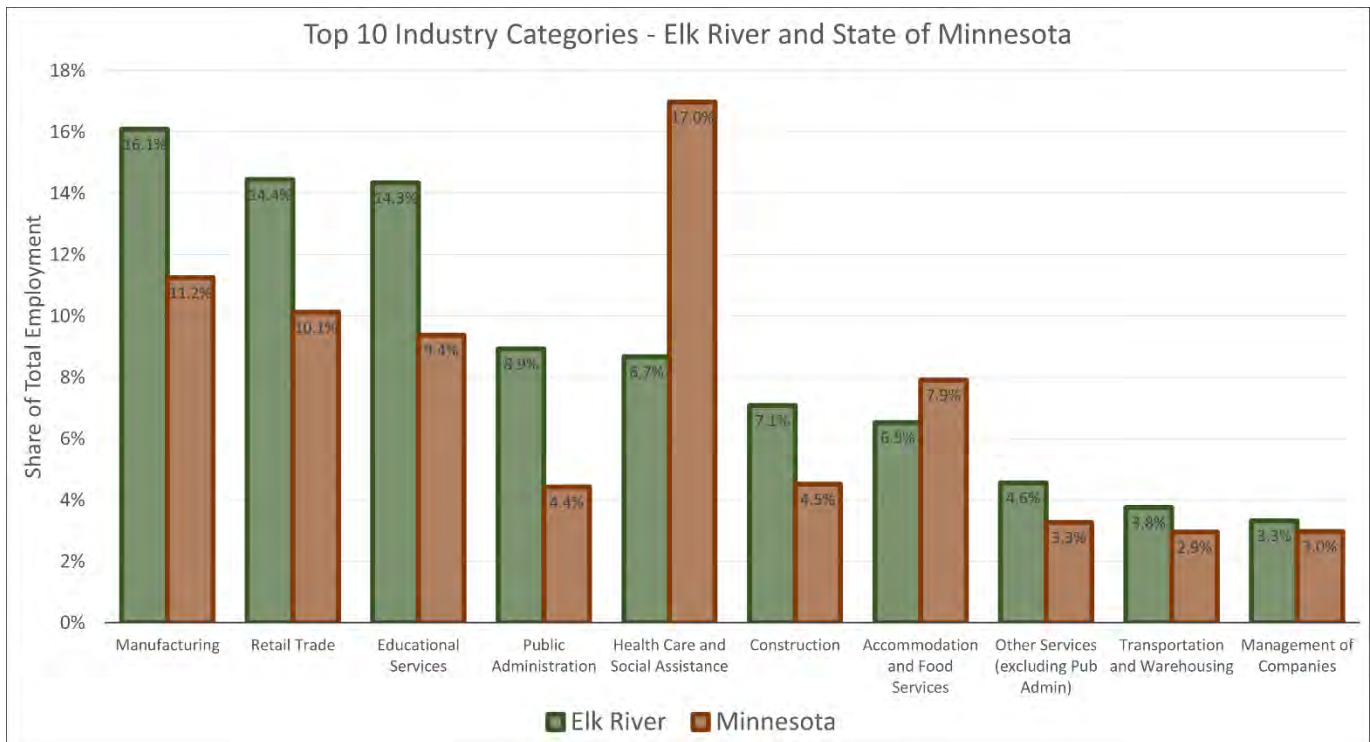
The following graphs provide a demographic snapshot of Elk River's workforce. Elk River's workforce is quite similar in its age profile to the state as a whole. Earnings are a bit lower (as would be expected in a greater Minnesota community), but not dramatically lower. And the education levels of workers are also a bit lower than the state average.



Industry Mix

A defining characteristic of any local economy is the type of economic activity that its businesses are involved in. Any city or county or region will have industries or business types that are particularly prevalent. One way of characterizing this business mix is through analyzing the NAICS (North America Industry Classification System) categories of an area's businesses. For cities, data is available that breaks down employment into 21 NAICS categories. For larger geographies, a greater number of industry subsectors can be analyzed.

The bar chart below shows the ten industry categories in Elk River that represent the highest shares of employment. For example, 16.1% of the jobs in Elk River are with businesses that are in the manufacturing sector. 14.4% of Elk River jobs are in retail sector businesses. And so forth. In each case the share of employment in Elk River is compared with that industry's share of total employment state-wide.



Note that 75% of jobs in Elk River are in just seven industry sectors:

- Manufacturing
- Retail trade
- Educational services
- Public administration
- Health care and social assistance
- Construction
- Accommodation and food services

These seven industry sectors comprise the core of Elk River's economy.

Of the seven core industries, five are distinctively strong in Elk River compared with other parts of the state. Those five industries are:

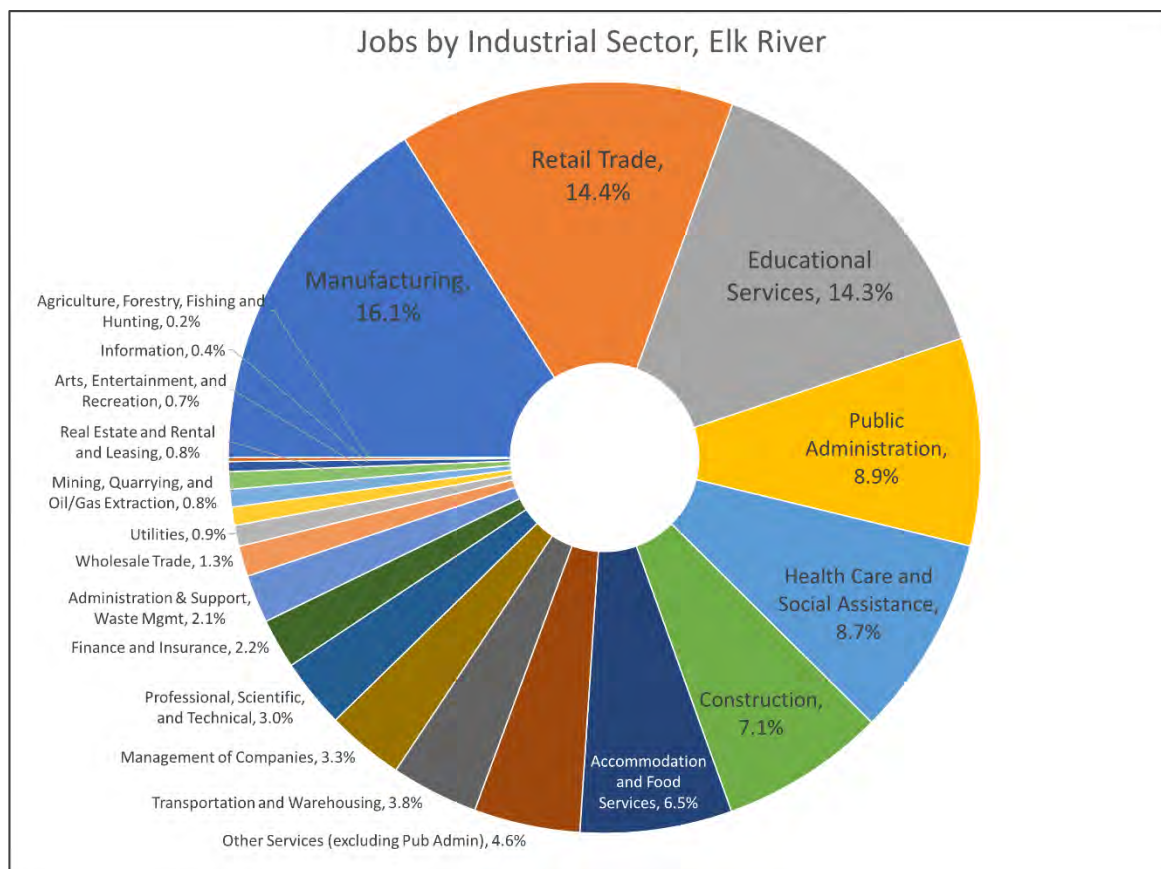
- Manufacturing
- Retail trade
- Educational services
- Public administration
- Construction

These five industries represent the unique strength of Elk River's economy. And they comprise 61% of all of its jobs. This business mix benefits Elk River. It is diverse, and it includes three sectors that tend to provide well paying jobs—manufacturing, public administration and construction. Additionally, manufacturing as the leading industry sector in Elk River, benefits Elk River in that it is a basic industry. That means its products are sold to customers outside of the area. Those revenues come in to Elk River manufacturers, are paid to their employees, and recirculate through the local area.

Average Wages by Industry, Sherburne County, 2019

	Average Weekly Wage	Average Annual Pay
Manufacturing	\$1,157	\$60,163
Retail Trade	\$589	\$30,624
Educational Services	\$489	\$25,419
Public Administration	\$999	\$51,964
Health Care and Social Assistance	\$786	\$40,859
Construction	\$1,237	\$64,342
Accommodation and Food Services	\$299	\$15,538
Other Services (excluding public administration)	\$434	\$22,589
Transportation and Warehousing	\$865	\$44,993
Management of Companies	\$2,202	\$114,521

A more complete inventory of Elk River's industry sector mix is represented by the pie chart below.



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

The following table provides a deeper additional analysis of Elk River's industry mix. It lists each of the city's industry sectors starting with those which are most dominant in Elk River. The ratio of the sector's share of Elk River's employment to the sector's share of Minnesota's employment is called the location quotient. The manufacturing sector, for example, comprises 16.1% of Elk River's jobs, and only 11.2% of the state's jobs. The location quotient for the manufacturing sector is 1.43, because $16.1\% \div 11.2\% = 1.43$. When location quotients are higher than 1, that mean that the economic sector is an over-represented industry sector in the local economy—which may represent a local economic strength. The final column of the table takes the ratio of the current and past location quotient to show whether the industry sector is strengthening or weakening over time. The sector has strengthened as a component of the local economy if the change in location quotient is higher than 1.0.

Elk River Industry Mix - Location Quotient and Shift Share Analysis

Industry Sector	2017				2010		Location Quotient 2017	Location Quotient 2010	Change in Location Quotient
	Elk River		Minnesota		Elk River	Minnesota			
	Job Count	Share of All Jobs	Job Count	Share of All Jobs	Share of All Jobs	Share of All Jobs			
Manufacturing	1,891	16.1%	319,785	11.2%	11.7%	11.5%	1.43	1.02	1.40
Retail Trade	1,698	14.4%	287,652	10.1%	14.7%	10.8%	1.43	1.36	1.05
Educational Services	1,686	14.3%	266,547	9.4%	13.5%	9.7%	1.53	1.38	1.11
Public Administration	1,049	8.9%	125,567	4.4%	9.7%	4.6%	2.02	2.12	0.95
Health Care and Social Assistance	1,019	8.7%	482,650	17.0%	18.0%	16.4%	0.51	1.10	0.47
Construction	832	7.1%	128,442	4.5%	3.8%	3.3%	1.57	1.13	1.39
Accommodation and Food Services	767	6.5%	225,039	7.9%	4.1%	7.5%	0.82	0.54	1.53
Other Services (excluding Public Administration)	536	4.6%	92,891	3.3%	5.4%	3.4%	1.40	1.58	0.88
Transportation and Warehousing	441	3.8%	83,825	2.9%	4.0%	2.6%	1.27	1.54	0.82
Management of Companies and Enterprises	391	3.3%	84,362	3.0%	1.7%	3.8%	1.12	0.44	2.57
Professional, Scientific, and Technical Services	351	3.0%	163,548	5.7%	2.3%	5.0%	0.52	0.45	1.14
Finance and Insurance	253	2.2%	138,793	4.9%	1.7%	5.0%	0.44	0.34	1.29
Administration & Support, Waste Management and Remediation	243	2.1%	129,578	4.6%	3.8%	4.6%	0.45	0.83	0.54
Wholesale Trade	154	1.3%	133,538	4.7%	1.9%	4.9%	0.28	0.38	0.74
Utilities	106	0.9%	14,278	0.5%	0.5%	0.5%	1.80	0.89	2.02
Mining, Quarrying, and Oil and Gas Extraction	93	0.8%	5,740	0.2%	0.5%	0.2%	3.92	2.62	1.50
Real Estate and Rental and Leasing	89	0.8%	35,226	1.2%	0.6%	1.5%	0.61	0.37	1.64
Arts, Entertainment, and Recreation	88	0.7%	51,657	1.8%	1.0%	1.7%	0.41	0.57	0.73
Information	51	0.4%	52,669	1.9%	1.3%	2.2%	0.23	0.57	0.41
Agriculture, Forestry, Fishing and Hunting	20	0.2%	22,601	0.8%	0.1%	0.7%	0.21	0.10	2.11
Total	11,758	100%	2,844,388	100%	100%	100%			

The preceding information is summarized in the following table for Elk River's top ten industry sectors. Higher wage industry sectors are in bold.

Elk River's Top Ten Industry Sectors

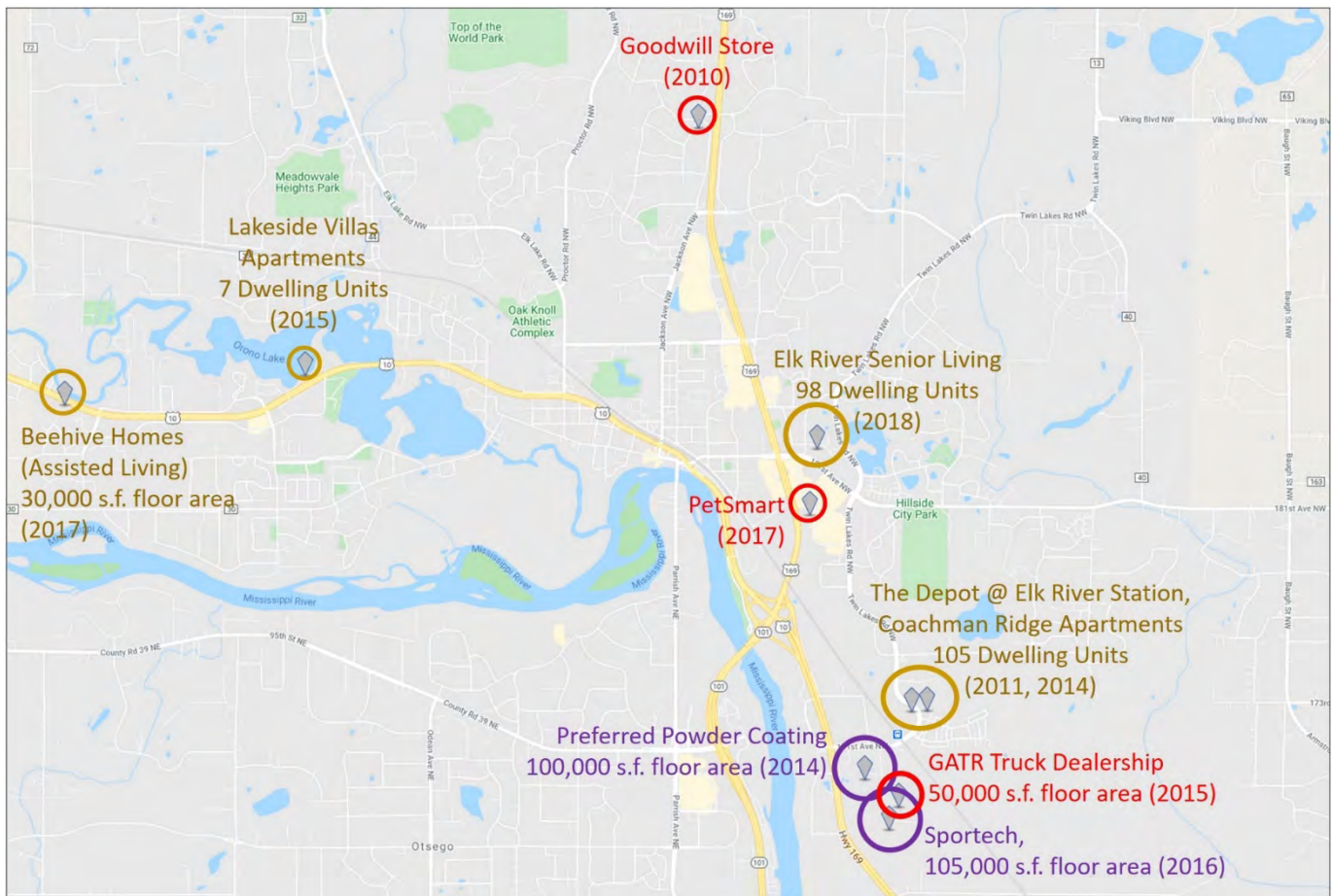
	Strengthened from 2010 to 2017	Had similar strength from 2010 to 2017	Weakened from 2010 to 2017
Over-represented in Elk River economy compared with the state economy	<ul style="list-style-type: none"> • Manufacturing • Construction 	<ul style="list-style-type: none"> • Retail Trade • Education Services • Public Administration 	<ul style="list-style-type: none"> • Other Services (excluding public administration) • Transportation & Warehousing
Similar share of Elk River economy compared with the state economy	<ul style="list-style-type: none"> • Management of Companies 		
Under-represented in Elk River economy compared with the state economy	<ul style="list-style-type: none"> • Accommodation & Food Services 		<ul style="list-style-type: none"> • Health Care & Social Assistance

This analysis points to the value of continuing to foster the manufacturing sector in Elk River. It indicates the benefit to Elk River of being the location of both Elk River and Sherburne County offices. It suggests there may be value in understanding and fostering the Elk River construction sector more intentionally. It raises the possibility that there may be opportunity to solicit additional health care facilities in Elk River.

Development Trends

Much of Elk River's development over the past decade has been in the form of housing development. According to ESRI business analyst, Elk River had 8,542 housing units in 2010, and 9550 in 2020. Of that thousand new housing units, the great majority were single family homes and townhomes.

The map below provides an overview of new development in Elk River. It locates all new commercial development (which in real estate terminology includes multifamily rental housing) that has been completed in Elk River since 2010, according to the records of Costar, a real estate data provider. Two general occupancy apartments were developed in 2011 and 2014 near Elk River's Northstar commuter rail station. Senior living facilities were completed in 2017 and 2018 in west and central Elk River respectively.



Two industrial businesses built large new facilities, in 2014 and 2016. And three new retail properties were developed.

Retail Market Context

From Highway 10 up to 198th Avenue, the Highway 169 corridor in Elk River offers an array of businesses that provide an aggregate 2 million square feet of retail floor area. This retail district is anchored by a Walmart store, and several grocery stores including Cub Foods and Coborns. An additional 450 square feet of retail businesses are located along the Highway 101 corridor just south of the Mississippi River, anchored by a Target Store. These two highway oriented retail districts operate to some extent as a single destination retail area. They were largely built out by 2010.

The closest competing highway oriented retail district to the Elk River/Otsego district is in Rogers, with a distance of around 8 miles between the center of the two districts. The highway oriented retail district in Rogers provides around 2.8 million square feet of retail just on the north side of Interstate 94.

Because of the close proximity of a large highway oriented retail district in Rogers, the trade area for the Elk River/Otsego retail district will be predominantly to the north of the Mississippi River. The presence of competing Target and Walmart stores is one influence on the trade area for a Target or Walmart anchored destination retail district. The map below shows an approximate trade area for the Elk River/Otsego retail district.

Elk River/Otsego Highway Oriented Retail District – Approximate Retail Trade Area



The retail market has undergone a shock due to the Coronavirus pandemic. And its effects have differed greatly between business types. A full recovery will take at least a couple of years. In the meantime the pandemic will have shaped consumer preferences and habits in ways that will be longlasting. One significant change may be a further shift away from store-based retail to various retail delivery models. That may slow future new retail development in Elk River for a time.

Residential Market Context

Residential development has not been sidelined by the pandemic in the same way as the retail sector has. Owner occupied single family homes and townhomes will continue to be in demand, bolstered by the quality of life investments that the City has been making. Based on the 2015 Housing Needs Assessment, and our experience in similarly situated cities, there will be an ongoing demand for a range of multifamily housing products in Elk River. Developers of market rate apartments will be selective about location, seeking areas with a strong set of locational amenities. Locations of interest may include sites near downtown Elk River, or near the Mississippi River or other waterfronts. Such locations will often require redevelopment of already developed properties. For that reason, and because of the high cost of new construction, City financial support will generally be required to make new multifamily development projects financially viable.

Industrial Market Context

Elk River has a lot to offer industrial businesses. It has excellent access to transportation arteries to the north, south, east and west; an existing concentration of manufacturing businesses; a high quality utility infrastructure including reliable municipal energy; and access to a high quality workforce. For businesses and distributors that primarily serve the Twin Cities Metro, however, there are numerous competing locations that are closer to their customer base. With clear marketing, and improvements to the availability of development sites, new industrial development should continue to occur at a measured pace.

Other Research

In addition to the investigations and findings detailed above, the Stantec team broadened its understanding of the Elk River economic context, its needs and its opportunities through a number of other avenues.

Elk River EDA. The EDA offered its perspectives and insights during an introduction meeting and at the first EDA Workshop.

Focus Groups. Three focus groups were convened that focused on Manufacturing and Industry, Downtown Elk River, and Real Estate and Development.

Peer city benchmarking. We identified Forest Lake, Oakdale and Chaska as peer cities. For each city we conducted one to two very informative interviews that were two hours in length to explore their management of economic development topics that are important in Elk River. Elk River staff participated in interviews. Interviewees were:

- Dan Udem, Assistant City Administrator, Forest Lake
- Nate Kabat, Assistant City Administrator, Chaska
- Bob Streetar, Community Development Director, Oakdale

Individual interviews. Individual interviews were conducted with the following people.

- **Paul Erickson**, Founder and former Executive Director of the National Sports Center in Blaine. Mr. Erickson offered his expertise and insights on the potential for sports tourism in Elk River.
- **Tim Storey**, real estate broker and hotel market specialist, Cushman Wakefield. Mr. Storey provided his thoughts on the potential for hotel development in Elk River.
- **Amy Lord**, Career and Technical Training Coordinator, ISD 728. Ms. Lord was interviewed about opportunities for deepening workforce training strategies in Elk River.

Elk River Staff. Elk River staff have been readily responsive in providing information and serving as a sounding board through the course of this study. They also served as tour guides for an Elk River site visit to many of the locations that are discussed in this report.

Each of these additional points of input and perspective have been critical in shaping the recommended strategies in the next section of this document.

PART 2:

RECOMMENDED STRATEGIES

ECONOMIC DEVELOPMENT STRATEGIES

The research and analysis in the preceding section sets a foundation for considering a menu of strategies for strengthening Elk River's already healthy economic context. The proposed strategies fall under 15 economic development topics, which are themselves grouped under six general headings, as follows.

Highway 169 Redefine

1. Highway 169 Redefine

Business Attraction & Retention

2. Business Attraction
3. Land Availability
4. Target Industries
5. Business Retention & Expansion
6. Incentives for Business Attraction/Retention

Redevelopment & Catalyst Sites

7. Gravel Mining Area
8. Downtown Elk River
9. Great River Energy Site
10. Incentives for Redevelopment

Quality of Life

11. Downtown Quality of Life
12. Mississippi River Access

Tourism

13. Sports, Mountain Biking, & ERX Tourism
14. Hotel Development

COVID Economic Recovery Programs

15. COVID Economic Recovery Programs

HIGHWAY 169 REDEFINE

The redesign and reconstruction of Highway 169 through Elk River is a high priority for Elk River and its EDA because it is underway and it will have significant economic, quality of life, and visual impacts on the City.

1. STRATEGY: HIGHWAY 169 REDEFINE

The reconstruction of Highway 169 raises concerns and presents opportunities. In the short run it will present challenges for highway oriented businesses, with additional barriers to access. In the long run the reconstruction will relieve traffic congestion that has itself been an impediment to business success. It will make some properties along the freeway more desirable for new development and redevelopment. And it will provide an opportunity for enhancements that can contribute to Elk River's branding.

Cities can impact highway design in ways that a) add artistic elements, distinctive features or branding, b) ensure adequate wayfinding to highway oriented businesses and downtown areas, c) maintain access to businesses during construction. The images below are taken from highway redevelopment projects, and demonstrate construction enhancements that have been done in other cities.

It would be timely for the City to engage substantively with the 169 Redefine project planning in new ways to ensure that impacts to businesses are being mitigated, and potential opportunities for City branding and beautification are part of the conversation.

I-35E Noise Wall, Vadnais Heights



Burnsville Parkway Bridge, Burnsville



Strategies/Actions

- 1a. Prepare and implement a City advocacy strategy for the 169 Redefine project. It should include a constructive statement of Elk River's aspirations for desired outcomes from the project, including elements such as signage to downtown Elk River and enhancements that add distinctiveness to Elk River's northern gateway. It should note the importance of mitigating impacts to existing businesses, and of providing effective temporary wayfinding and physical access. The strategy would map out an action plan for sustained advocacy throughout the duration of the project.

BUSINESS ATTRACTION & RETENTION

Business attraction and retention is a core area of responsibility for the local government's economic development function. Through this project's Request for Proposal, and conversations with staff and EDA members, some important strategic questions were raised that fall within this overarching topic.

- Are the target industries that have been the focus of business recruitment still appropriate?
- How are the limitations in land availability affecting business attraction, and how might the supply of land be opened up?
- How effective and appropriate are Elk River's use of incentives for attracting new business development?

The strategies that follow address these questions and others, and provide a review of the City's business attraction and retention practices generally.

2. BUSINESS ATTRACTION

Elk River is active in marketing itself for business development. Its website and marketing materials are attractive. The website provides a good menu of resources that may be of interest to a new business or site selector. City staff regularly field calls from businesses and site selectors who are exploring development or starting a business in the City. Staff attends trade shows that build relevant connections and relationships.

Elk River offers a rich cluster of strategic advantages that can be touted. These include its central location at a transportation crossroads, its reliable utility infrastructure, its tradition of manufacturing, its high design standards for new development, and the workforce development linkages that it promotes with local businesses.

The high quality design standards that pertain to new industrial development in the Northstar Business Park are understood to make development too expensive for certain kinds of businesses. But it is attractive to businesses who want to develop a facility where their quality of development will be matched—because that protects their image and it protects the value of their investment. Businesses that require a lower standard of development can be accommodated in alternative Elk River locations.

Acknowledging the overall quality of Elk River's marketing materials, an area of improvement would be to make sure that the core strengths of an Elk River business location come through consistently and clearly in every publication. Those strengths—most importantly its transportation connectedness, the quality of the local utility infrastructure, and its concentration of high quality manufacturers—are defining assets of an Elk River location, and should be repeatedly called out in the City's marketing materials.

A City's reputation for being business friendly really matters to prospective new business development. From our conversations we gathered that Elk River is recovering from some negative perceptions in the past. That recovery process takes time, and needs to continue. Note that cities can have high development standards and still be business friendly if requirements are transparent, processes are streamlined, and staff is service-oriented in helping businesses negotiate the processes.

Strategies/Actions

- 2a. Continuing the present array of marketing and networking activities to attract new business investment and development.
- 2b. Continue conveying a customer service orientation to the City's business community, and making continuous quality improvements to City development processes
- 2c. Sharpen the message about Elk River strengths, and make that prominent and repetitive in marketing and communications materials.

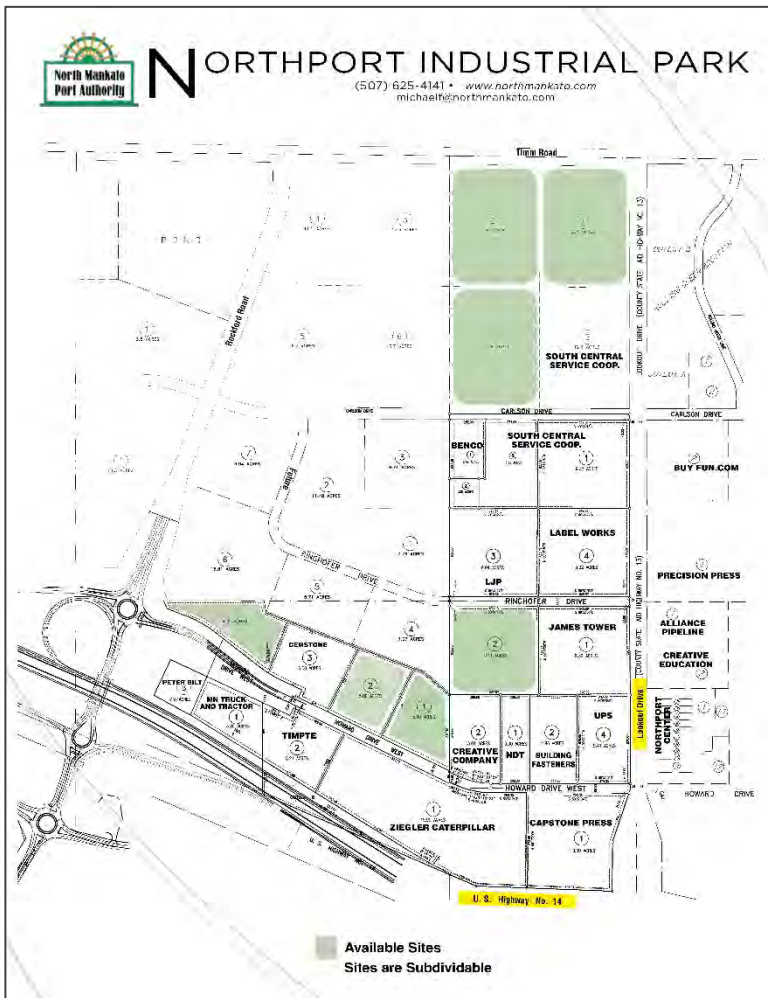
3. LAND AVAILABILITY

The availability of land is a key factor in attracting new industrial development, as is the readiness of the land for development. The City of Elk River owns two sites in its Northstar Business Park, a 4-acre parcel and a 12 acre parcel. Additional land for new industrial development is in short supply, as are large sites suitable for industrial development. Two locations have been discussed for future industrial development. 1) Some of the reclaimed land in the City's gravel mining area can be guided for industrial development, but that will have to wait until the completion of mining in certain areas. 2) Cargill has abundant land holdings along and near 165th Avenue NW, some of which is not currently utilized and would be well suited to industrial development. Elk River staff have not had recent

conversations with decision makers at Cargill to discuss Cargill's plans for this land.

Strategies for teeing up land for industrial development was a topic of conversation in our peer cities interviews. Economic development leadership in Oakdale and Chaska had successful track records in establishing an industrial development pipeline in local industrial parks. They had different philosophies regarding whether cities should take ownership of land. But they agreed on core elements of how to make development parcels ready to go, and thereby increase the attractiveness of their industrial parks.

Land, with the support of the land owner, should be master-planned with road layouts and conceptual parcels that meet the needs of today's industrial development market. It should be zoned appropriately. The availability of utilities should be ensured. Decisions should be made concerning how road and utility costs will be shared between the developer and the City. A map of the business park, that clearly indicates development parcels, should be created to convey the availability of land and an organized municipality. (An example of



such a map, in North Mankato, is at left.)

Strategies/Actions

- 3a. Develop business park site maps for future and existing industrial parks to include in materials for site selectors, interested businesses and developers.

- 3b. As new industrial land comes online, engage in master planning and related activities that increase the readiness of the land for development, and include the availability of large industrial lots.
- 3c. Make a creative push for engaging with Cargill about their plans for their Elk River property. The conversation can encompass learning about Cargill's plans and intentions, the potential of making their land available for industrial development, and their interest in collaborating with Elk River on fostering synergistic food-related enterprises in the area or in Elk River more broadly. Stantec has made contact with Government Affairs staff at Cargill, and they have expressed interest in meeting with the City to discuss respective interests and future opportunities for collaboration.
- 3d. As the visions for early phases of the Gravel Mining area are updated, consider guiding some of that land for industrial park development.

4. TARGET INDUSTRIES

The City of Elk River benefits from having identified target industries as a focus for its industrial recruitment. It may welcome a broad range of industrial businesses that contribute to the City's tax base and meet its standards for high quality appearance, but having identified target industries provides a focus to its outreach efforts. If those industries align with Elk River's comparative advantages, they also contribute to the City's marketing about what is special about the City's economic development context. The City's existing target industries are medical device manufacturing, light manufacturing, energy, and data centers.

In our interviews we heard a concern from a medical device manufacturer that the skilled workforce for that industry may already be a little stretched locally, so attracting similar businesses to the area may create issues of workforce depth. That argues for broadening the target industry beyond its current medical specialization.

We suggest the following targets because they reinforce messaging about the key comparative advantages that Elk River offers.

- **Precision or high-skill manufacturing.** This is a little broader than medical device manufacturing. It reinforces the existing manufacturing ecosystem in Elk River, including its attention to workforce development, and sets an ambitious tone for the City's aspirations. Precision manufacturers require stable, reliable energy which Elk River offers.
- **Companies with statewide or regional customer bases.** This reinforces the fact that Elk River is situated at a transportation crossroads, and in fact has outstanding access to greater Minnesota, and especially northern Minnesota.
- **Data centers.** Identifying this as a target industry reinforces messages about the quality and reliability of Elk River's electrical utility.

The health care and social assistance sector emerged from the industry sector analysis as a business sector that has a lighter than average presence in Elk River. Health care and social assistance jobs are less than 9% of Elk River's job base, but around 17% of the jobs of the state as a whole. That suggests that Elk River residents may be underserved by health care providers, and that health care providers may see an opportunity in expanding into Elk River. Moreover, the jobs in this sector tend to be medium to high wage jobs. The Stantec team did not conduct research on the potential for attracting additional health care providers to the City. But because of the positive impacts associated with health care jobs, that is a possibility worth exploring.

Strategies/Actions

- 4a. Update the target industries list in a way that reinforces key messages about Elk River's strategic advantages. Recommended target industries are: a) Precision or high-skill manufacturing, b) Companies with statewide or regional customer bases, c) Data centers

- 4b. Continue promoting the City for target industry attraction with site selectors, through attendance at trade shows, etc.
- 4c. Explore the opportunity for attracting additional health care development in Elk River.

5. BUSINESS RETENTION AND EXPANSION

The business visitation program is a core activity in the City's effort to retain its existing businesses and support their expansion—and by all accounts it is going well. A couple of visits are conducted each month. They encompass a formal survey, informal conversation and facility tours. Many of the visits are with newly established businesses, which provides an opportunity to ask about how City processes went, and to see if there are other ways that economic development staff can support the business. Amy Lord, the Career and Technical Training Coordinator from ISD 728, often participates in the meeting, bringing a focus on the workforce training needs of the business.

The business survey has been another important resource for understanding the needs of the business community.

A small business owner has to have a broad range of skills in order to run a successful business, but they are inevitably better at some things and less skilled at others. Technical assistance for businesses helps to fill in the information, training and skills gaps for small business owners in areas such as business planning, marketing, accounting, or human resources. This can be a lifeline for small businesses. Technical assistance providers may also be able to offer loans to meet certain business needs. Many cities partner with technical assistance providers to offer these services. Elk River does not currently contract with a technical assistance provider.

The construction sector emerged from the sector analysis as a locally important industry sector. Elk River's construction sector outperforms the state of Minnesota in terms of its share of Elk River's jobs, and that share has grown over the past decade. Additionally, jobs in the construction sector are typically living wage jobs. Although we are not recommending that construction companies be included in the target industries list, these businesses play an important role in Elk River's economy and for that reason are a category of business that deserves attention and support through the City's business visitation program, to stay apprised of the industry and informed about how the City can support it.

An additional need of the area's business communities, as identified by Elk River's Manufacturing and Industry focus group, and as is common to rural cities across the state, is the need for affordable housing, and for multifamily housing options more generally. The lack of these housing options can be an impediment to recruiting qualified workers for a job at a local business.

Strategies/Actions

- 5a. Continue the business visitation program with an emphasis on strategically important businesses (including manufacturing and construction businesses) and newly established businesses
- 5b. Survey the business community annually as a follow-up to the recent business survey

- 5c. Consider contracting with a technical assistance provider (like MCCD's Open to Business program) to make additional technical support services available to local businesses
- 5d. Look for opportunities to build and preserve multifamily and affordable housing options in Elk River

6. INCENTIVES FOR BUSINESS ATTRACTION/RETENTION

For better or worse, public financial incentives that are offered to new industrial developments are a factor in their locational decisions. Having said that, incentives are usually not the overriding factor for a locational decision, because the fundamental strengths and weaknesses of a location have a greater impact on the long-run success of a business.

Elk River has utilized a broad set of incentives to attract new business development, but for new development on previously undeveloped land, tax abatement has been the most important source of financial support—as is true for many similar cities.

When Elk River provides tax abatement for new facility development, it benefits from the practice of Sherburne County to match its abatement with a comparable abatement of county property taxes. That essentially doubles the impact of Elk River tax abatement decisions.

The level of incentive provided to a development is subject to negotiation between the City and the developer. Some cities establish clear policies relative to the level of tax abatement they will provide, which simplifies communication and reduces the time involved in negotiation. Chaska is an example of that, as we learned in our peer city interview with Assistant City Administrator Nate Kabat. The City offers new businesses/expansion tax abatement for a total of three times the annual total of new property taxes generated. The City of Elk River could also establish policies that provide for a certain level of tax abatement for target industries and a different set for other industrial development. We see a benefit to Elk River in establishing a policy that sets an attractive yet reasonable level of tax abatement support that is available, and in so doing reduces the negotiation that is required for determining the level of incentives for any given business applicant.

The Business Microloan program has a number of subprograms, some of which have been seldom utilized. A review of little used programs could result in allowing some to expire. In other cases the subprogram may require additional resources to be useful to its intended recipients.

Strategies/Actions

- 6a. Establish a tax abatement policy that sets a standard for the amount of tax abatement the City will provide for business attraction.
- 6b. Reevaluate the subprograms encompassed under the Business Microloan program, and determine whether underutilized programs should be eliminated or retooled.
- 6c. Increase marketing for the newly adopted Energy Incentive Program to increase its visibility and utilization.

REDEVELOPMENT AND CATALYST SITES

Elk River has some significant areas that are conducive to new development and redevelopment in the future. The consultant team focused our attention on three of them. They are:

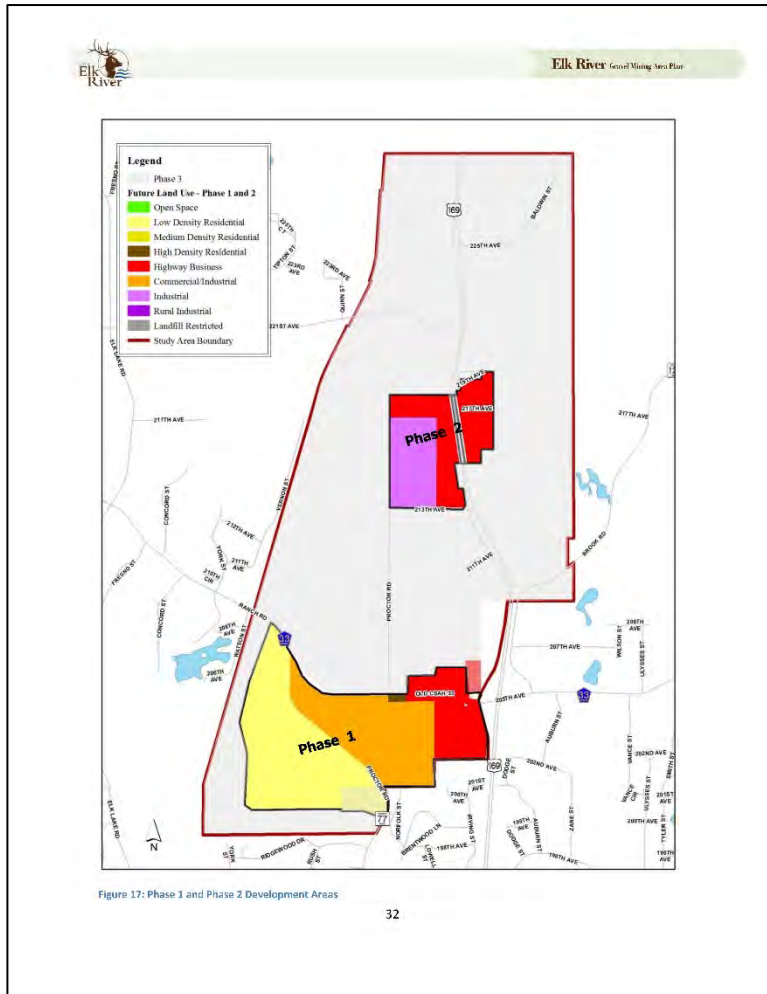
- The gravel mining area
- Downtown Elk River
- The Highway 10 Great River Energy property

We evaluated the plans for these areas for their sufficiency in guiding development, addressing challenges to development and articulating appropriate implementation strategies.

Elk River has also requested guidance concerning the City's use of incentives to support redevelopment.

7. GRAVEL MINING AREA

A large amount of land will be reclaimed for development in northern Elk River as gravel mining operations are completed. That will occur in phases. In 2015, when the *Gravel Mining Area Land Use, Transportation, and Utility Plan* (Gravel Mining Plan) was adopted, some parts of the gravel mining area were expected to be available for redevelopment by 2020. Mining would cease in other parts of the area over a 20+ year period.



As of late 2020, land has not yet been reclaimed and made available for redevelopment in any part of the gravel mining area. And the timeline outlined in 2015 has not to our knowledge been updated by the mining operators.

The consultant team has reviewed the 2015 Gravel Mining Plan. It is thorough and provides appropriate guidance, with a primarily engineering focus. The vision for future development that it offers was reasonable when it was adopted, but the market for new development has undergone significant change since that time. The needs of the City may have changed as well. A specific concern of the consultant team is that the amount of retail land that is proposed may exceed the demand for new retail.

Because of these considerations, we would recommend a fresh look at the development vision when the opportunity for development is becoming imminent. An updated plan should evaluate current retail demand, and it should reflect an updated sense of the City's need for housing and industrial land.

With that update, the City can also take additional implementation steps that will support the attraction of high quality development to the site. A master plan of the area can be developed based on the updated vision, which would include a more detailed street grid, and conceptual platting. Zoning should be changed to reflect the master plan. And planning for the provision of street and utility infrastructure can be advanced.

Strategies/Actions

- 7a. In collaboration with the gravel mining company, update the phasing plan for completion of mining activities

- 7b. At around 3 years from when the first phase of land will be ready for redevelopment, undertake a set of actions that set the stage for attracting new development
- Update the development vision to reflect current market demand and needs for retail, housing and industrial land
 - Create a detailed master plan that includes a concept for local roads and platting
 - In the area identified as Phase I of land reclamation and development, take City actions that commit to extending Proctor Road NW as proposed, and extending water and sewer services
 - Prepare cost estimates for roadway and utilities, and determine cost sharing approach with developers

8. DOWNTOWN ELK RIVER

Downtown Elk River is a traditional storefront business district that has retained its integrity and architectural character. Building facades have been by and large maintained, and the district has been enhanced by new public space connecting it to the Mississippi riverfront.



As an event and civic gathering place it makes a really important contribution to Elk River's quality of life. As a location for new development, the City's vision is less clear. There is developer interest in Downtown Elk River, as one of the premier addresses in the City. But there seem to be different views about the desirability and character of additional development downtown. And there are valid concerns about impacts to downtown related to traffic congestion and the availability of parking.

The plan for Downtown Elk River is called Mississippi Connections

Redevelopment Framework (Mississippi Connections). It was adopted in 2012. Mississippi Connections captures the City's hopes and goals related to the downtown area, and set the stage for some important implementation actions. However, it does not provide guidance for key aspects of downtown Elk River's future. It doesn't identify development opportunity sites, or provide the traffic and parking analysis that would address community concerns proactively so as to take the burden of analysis off of individual developers.

Our experience has led us to value new development in the areas in and around traditional storefront districts because of the vibrancy they add, the activation of street life, and the economic support they provide to downtown businesses. Perhaps the business district will continue to thrive based primarily on destination customers. But it is an uncertain time for retail businesses and restaurants. And the addition of housing density in walking distance of downtown businesses would add an important additional pedestrian-oriented submarket for local businesses. We believe that additional opportunities for development in and near downtown Elk River exist, and such development would add vibrancy to the downtown area.

Having said that, there certainly are reasons to be cautious about new development in and near downtown Elk River. Done poorly, new downtown development could fail to activate

the pedestrian realm, and it could be less compatible with existing development than would be desired. Clear development guidelines are needed to ensure that new development makes a full contribution to downtown vibrancy, and is compatible with existing development.

We believe it benefits Elk River to update its downtown plan to build consensus around how downtown development can benefit the City, and to proactively address concerns about parking and traffic.

Strategies/Actions

- 8a. Create a plan for downtown Elk River that honors its special role in Elk River, explores the potential for new development, further strengthens its connections to and along the River, and addresses concerns about parking constraints and traffic congestion.

9. GREAT RIVER ENERGY SITE

The decommissioned Great River Energy site on Highway 10 has outstanding development potential that may not be realized without near-term action to assess the opportunity it represents, and put guidance in place to realize its potential.

The site on Highway 10 just north of the Highway 169 interchange, 17845 US-10, if positioned properly, may be the most attractive development location in Elk River currently. It is a very large property, offering flexibility in terms of site layout and mix of uses. It has



views of and proximity to the Mississippi River on the west. It is centrally located in Elk River, close to downtown, and conveniently close to a destination retail district on the east. We imagine the frontage along Highway 10 to be highly attractive for multifamily housing development.

In the absence of investigating its development potential, and making appropriate adjustments to development guidance, there is a risk of underdevelopment and missed opportunity.

Strategies/Actions

- 9a. Create an implementation-oriented redevelopment plan for the US-10 Great River Energy property that takes into consideration current market conditions, the perspectives of the development community, and the potential for connections to downtown and the FAST area.

10. INCENTIVES FOR REDEVELOPMENT

Redevelopment projects will typically require public sector financial support in all but the strongest market locations. This financial support is offset by the benefits that developments bring to local communities. They may provide housing formats that are needed, or add ground floor retail businesses. They may contribute activity and streetlife, remediate a site that was past its prime, and meet other identified public goals. They are generally speaking also beneficial in the long run from a public financial perspective—providing years of additional property tax revenues after the incentive amount has been recouped.

The general need for and appropriate use of incentives for redevelopment was reinforced in our peer city interviews. Public financial support was required for most if not all redevelopment in Oakdale, Forest Lake and Chaska. Public financial support was also required for most new multifamily housing development.

In Minnesota, the predominant form of financial subsidy for such projects is tax increment financing (TIF) where that is viable. TIF has two important benefits. First, it doesn't come at the expense of other city budget items. It consists entirely of future property tax revenues, which are returned to the developer or developer's lender for a certain number of years. Second, the City's share of foregone property tax revenues are matched by the contribution of county and school district property tax revenues. That is a differentiator in comparison to tax abatement, because City tax abatement actions are only matched by the county and school district if they also explicitly take that action.

The concern about over-enriching a developer by awarding TIF financing can be mitigated by having the TIF request analyzed by the City's financial advisor.

Strategies/Actions

- 10a. Update the City's tax increment financing policy statements to support its use for any redevelopment project, housing project, or mixed use project that is consistent with City plans and policies
- 10b. Utilize the City's financial advisor to ensure that tax increment financing is scaled to the genuine needs of the project

QUALITY OF LIFE

The City of Elk River has placed a clear emphasis on enhancing its amenities to support a high quality of life for its residents. Active Elk River is a clear current demonstration of that. It is enlightened and far-reaching, resulting in improvements to parks, recreation and community spaces.

Beyond adding to the enjoyment and health of residents, quality of life investments are economic development strategies. They contribute to the economic vitality of the City. They have marketing value for attracting new residents and population growth. And many businesses prefer to locate in locations with a positive community identity, and where there is an educated and capable workforce.

Elk River's EDA may not be the lead entity for advancing quality of life strategies, but the EDA does play a role in advocating for the economic competitiveness of Elk River in a broader sense. For that reason we've highlighted the importance of quality of life considerations, and highlighted a couple of specific quality of life strategies related to downtown Elk River and its Mississippi River riverfront.

11. DOWNTOWN QUALITY OF LIFE

Development and development planning for downtown Elk River was discussed above. This section recognizes the importance of the multiple strategies associated with activating and enlivening downtown. That encompasses strategies such as marketing, branding and communications, facade improvements and streetscaping, and event programming. The property owners and businesses in a storefront business district often provides leadership for these kinds of activity, and research shows that the organizational energy and capacity of that business group makes a pivotal difference in how effectively the district is branded and activated.



Programs of this kind can be affiliated with an umbrella organization and structure, such as the National Main Streets program. Or they can be independent, drawing ideas from any number of examples, and from their own inspiration.

Downtown Elk River has done very well. With support from the City and local businesses it has remained attractive, has built a beautiful public space at its heart that connects to the river, and hosts numerous festivals and events.

In our focus group and other conversations we learned that the businesses vary in terms of the sufficiency of their customer support, and some of the older buildings are due for significant rehabilitation if they are to continue to be viable into the future.

We recommend consideration of creating a downtown special service district. Downtown Elk River is certainly significant enough to warrant one. From the City perspective that would add an organized

partner and downtown advocate that is focused entirely on downtown Elk River. From the perspective of the business community, it is a form of self-organizing that gives the business community a clear voice and greater ability to weigh in on the investments and activities they feel are most beneficial to downtown. It also ensures that the contributions of the business community to district enhancements, marketing and events are shared more equally. The levy level can be proposed by the business community itself at a level that will result in majority support for the levy.

Strategies/Actions

- 11a. Continue downtown Elk River's successful marketing and events

- 11b. Continue providing funding for building rehabilitation and facade improvements, making adjustments to resources and partnering strategies in order to meet real world needs.
- 11c. Work with property and business owners to establish a downtown special services district (SSD) to create new capacity and energy for downtown's image, marketing and events. Collaborate with the SSD in the maintenance and improvement of downtown, and the administration of downtown's programmatic activities.

12. MISSISSIPPI RIVER ACCESS

For all of its commitment to quality of life investments, including the development of the beautiful riverfront plaza space in downtown Elk River, there is opportunity for improving the City's access to its riverfront.

Elk River has a trail plan that includes extending trails along the river in both directions from downtown Elk River. Trails along the Mississippi Riverfront would be highly popular, and if the experience of other cities is a guide they will be heavily utilized.



From a real estate perspective, water access and trails spur development. There are few amenities that are more attractive than water proximity, and the

availability of trail systems, and Mississippi River trails connecting to downtown would extend the development value of downtown Elk River to locations upstream and downstream.

As a specific example, a trail downstream and south from downtown Elk River would enhance the value and attractiveness of the already strong Great River Energy site on Highway 10. If extended further to the south of Highway 101 it would also provide additional value and attractiveness to riverfront properties south of the Highway 101 bridge, including the vacant automobile sales lot on Zane Street.

Another way to increase the relationship of Elk River to the river would be to explore how some of the existing or future downtown development could be positioned to improve its orientation toward the Mississippi River.

Strategies/Actions

- 12a. Continue building out the City's trail system along the Mississippi River, with a priority on trails connecting downtown Elk River to locations upstream and downstream of downtown.
- 12b. As part of an updated downtown development plan, explore ways to increase the orientation of some downtown businesses and development toward the river.

TOURISM

Tourism strategies are valued from an economic development perspective because they bring visitor expenditures into the local economy. The Elk River EDA and its staff have identified a set of amenities that have potential for being marketed more broadly and enhancing tourism in Elk River. They have also observed that the limited number of hotel options is a constraint for attracting overnight visitors to Elk River.

The two strategies in this section focus on a) the tourism potential related to Elk River's sports infrastructure, its mountain biking trails, and the ERX facility, and b) the potential for attracting additional hotel development in Elk River.

13. SPORTS, MOUNTAIN BIKING AND ERX TOURISM

Elk River's EDA and economic development staff is well aware that the attractiveness of City amenities draws visitors from well beyond its borders. The question it has asked as part of this study is:

- Can the attractiveness of its sports facilities and parks and ERX events be further leveraged to create an expanded economic impact from tourism to Elk River?

Because these three amenities attract a different visitor pool, and operate in different competitive contexts, an individual analysis is required for each in order to fully answer the research question. While it wasn't possible to give full consideration to all three of these opportunities, we did dedicate time to sports tourism research, and that included connecting with one of the premier sports tourism experts in Minnesota. This research also provides perspectives that are relevant to the other two tourism focus areas.

Sports tourism. The quality and number of sports venues in Elk River is enjoyed locally and could plausibly be leveraged to attract additional sports events and foster sports tourism. Topical research on sports tourism yielded the following information, summarized from *Sports Tourism: State of the Industry Report*.



- Nearly 180 million people traveled to a sports event in the U.S. in 2019 either as a participant or spectator, which generated 69 million room nights.
- Sports travelers, event organizers, and venues spent \$45.1 billion in 2019, which generated \$103.3 billion in business sales when including indirect and induced impacts.
- A total of 739,386 jobs were sustained by sports tourism in 2019. This included 410,762 direct and 328,624 indirect and induced jobs.
- Sports tourism generated \$14.6 billion in tax revenues in 2019, with \$6.8 billion accruing to state and local governments.
- An estimated 54% of all sports travelers spent the night in the event destination, which generated 69 million room nights in 2019.

When Elk River sports venues are mapped out and compared to neighboring cities, it can be observed that Elk River offers more high quality baseball diamonds, softball diamonds and ice sheets than any other cities between the Twin Cities Metro and St. Cloud. A challenge the city faces, however, is that the City is not far enough away from the Twin Cities Metro and St. Cloud that sports participants and spectators from those cities are likely to want to spend the night in Elk River. They may purchase gas in Elk River or go out during or after the event to a bar or restaurant, but the economic impact of those purchases are limited when they don't involve an overnight stay.

To bring more information and insight to this question, the consultant team reached out to Paul Erickson, the founder and longstanding former Executive Director of the Minnesota Sports Center in Blaine, to get his perspective and insights on the potential of sports tourism in Elk River. (Mr. Erickson has also consulted with other cities in Minnesota concerning about their potential for attracting sports tourism, and worked with them on developing the organizational infrastructure for doing that.) We provided him with our research on the inventory of Elk River sports venues and how that compares with neighboring cities. Mr. Erickson provided the following observations.

- Elk River has a good reputation as a quality growing community with many new facilities.
- Elk River has an excellent reputation in producing certain quality sports programs, including ice hockey.
- Elk River has a limited history of creating and hosting large amateur sports events.
- Of the top eight amateur sports, it appears that the Elk River region may only have multiple fields to support major softball and baseball events. (Note that stand-alone 4 field softball complexes and 2-sheet ice arena complexes are fairly commonplace in Minnesota.)
- Due to Elk River's proximity to the Twin Cities region, most sports visitors from the metro area would not stay overnight in a local hotel and may not eat any meals in Elk River restaurants. Economic Impact from sports is derived primarily from overnight stays and restaurants.

Given these observations, there doesn't seem to be a high likelihood of achieving a significantly greater economic impact from sports tourism. Having said that, there is certainly value in a set of activities that may require a lower level of effort. Those include using the events at Elk River's premier facilities as a marketing focus for the City, and exploring ways of cross-marketing city restaurants, stores and events to the users of the City's sports venues.

Mountain biking tourism. The tourism potential of mountain biking in Elk River is subject to many of the same considerations as sports tourism. There is no disputing that Elk River has high quality trails for mountain biking. But major mountain biking events are limited. The Minnesota Mountain Bike Series, for example, consists of ten events in ten different cities. It would certainly benefit Elk River to be on that circuit as often as possible, but it doesn't appear that there are many such large-scale events for the state's mountain bike community. Moreover, the tourism benefit of attracting mountain bike visitors to Elk River is limited by the same expectation as sports tourists—that most visitors will not combine their visit with an overnight stay in Elk River.

The economic development opportunity seems to be in marketing the quality of the trails in Elk River, and in publicizing any major events that happen locally.

ERX tourism. ERX is a known tourist attraction with a steady stream of events. Undoubtedly some the event attendees are staying overnight in Elk River, although again most will not. There is an economic benefit to capitalizing on ERX events by drawing

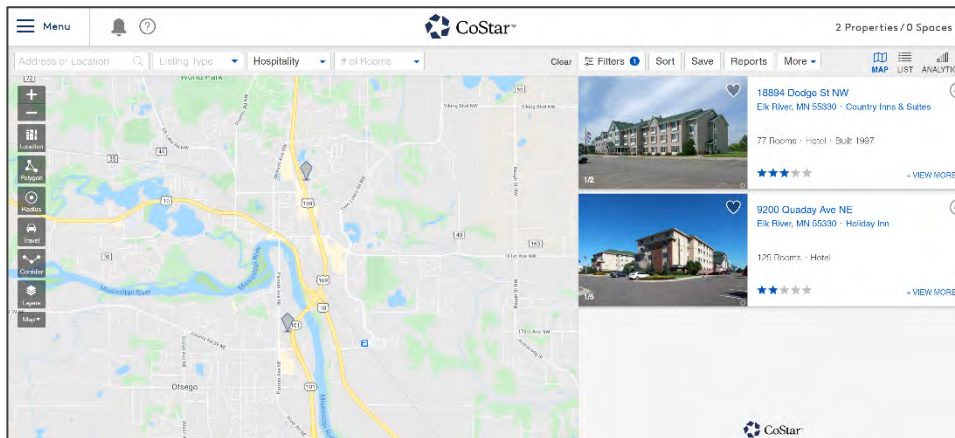
media attention to them. And there may be unrealized opportunities to cross-market Elk River's retailers and other events to ERX attendees.

Strategies/Actions

- 13a. Explore methods for cross-marketing Elk River's stores, restaurants, and complementary events to visitors, participants, spectators and attendees of Elk River's sports events, mountain biking courses, and ERX events.
- 13b. Solicit news coverage and other publicity for the broad range of events that are hosted in Elk River, and the quality of its parks, facilities and event venues.

14. HOTEL DEVELOPMENT

The limited options for hotel stays in Elk River was noted by the EDA and staff as a limitation in attracting tourists. It was also noted as a limitation by a local business owner for hosting business relationship while they are in town.



Elk River only has one nationally branded hotel—the three story, 77-room Country Inn and Suites near Highway 169 and School Street, built in 1997. Another hotel—a four story, 125-room Holiday Inn, is located right across the river in Otsego and also serves visitors to Elk River. Both are offering room rates currently at around \$79 per night, although in all

likelihood that's heavily discounted because of the pandemic.

Our understanding of Elk River's development landscape leads us to believe that there are strong potential locations for an additional hotel. For a quick perspective on market demand for new hotel development we contacted Tim Storey—a real estate broker at Cushman Wakefield who specializes in hotel development—to talk about the prospects of attracting an additional hotel in Elk River. Mr. Storey made the following observations.

- It's obviously a challenging time. The entire industry is stressed by the decline in hotel occupancy. Lots of hotels are exploring conversion to apartments, or are working on debt restructuring.
- The Holiday Inn in Otsego has been for sale for a while, which may not bode well for adding a hotel to the area.
- A new hotel would not be a high amenity hotel. A smaller property with streamlined amenities might be a possibility, if it has a strong location.

Cushman Wakefield and other brokerages could do further research on hotel viability in Elk River, and help to market a site to potentially interested hotel chains. But that's a project that wouldn't make sense until the dust settles on the currently challenging hotel economy.

The value of having an additional hotel option should also be borne in mind as planning occurs for parts of Elk River that may be good hotel locations—including downtown Elk River and the Great River Energy site.

Strategies/Actions

- 14a. Identify opportunities for hotel development in future small area plans
- 14b. Consider a standalone hotel market study, after the hotel economy has recovered, which would offer deeper analysis of the market demand for a new hotel in Elk River, and the hotel brands that may be attracted to potential Elk River hotel locations.

COVID ECONOMIC RECOVERY PROGRAMS

COVID has had tremendous impacts on many small businesses. For some, the financial stress that they've experienced will go on for some time. Local government can play a role in providing support.

We foresee the likelihood that a federal infrastructure bill will be passed in 2021 with the purpose of stimulating economic recovery. Preparing one or more projects so they are ready to go would increase the likelihood that an Elk River project is awarded funds.

15. COVID ECONOMIC RECOVERY PROGRAMS

A primary concern of local governments and communities has been the impact of the COVID pandemic on local businesses. Many local stores, service providers, bars and

restaurants have experienced greatly reduced sales, have had to close temporarily, or have gone out of business. Elk River was prompt in taking proactive steps in support of its business community through a program to promote shopping locally, called “Together Elk River”, and through its COVID-19 Small Business Emergency Microloan Program.

COVID Business Support Strategies in Minnesota Cities

- Information clearinghouse/exchange.
- Small business relief programs.
- Technical assistance.
- Reducing financial and procedural burdens.
- Shop-Local campaigns.
- Facilitating outdoor space for businesses.

Click [here](#) for additional information

As the business impacts of the COVID pandemic continue, renewed efforts or additional steps could make a difference to local businesses. Six common forms of municipal support for local businesses are in the sidebar at right.

Congress has considered but not passed an infrastructure bill in recent years. An infrastructure bill is likely to be considered again in 2021, with the additional focus of providing economic stimulus to the country. When an infrastructure stimulus bill was adopted during the Great Recession, projects needed to be ready to go in order to receive funds.

If there are infrastructure improvements that the City has been contemplating in its road, trail or utility systems, it may benefit the City to be proactive in making selected projects “shovel ready” in the event that federal funds for that purpose become available. That may entail steps such as completion of conceptual design and engineering.

Strategies/Actions

- 15a. As COVID pandemic impacts on local businesses continue, consider taking additional supportive actions.
- 15b. Set the stage for receiving potential 2021 stimulus or infrastructure funding by preparing one or more shovel-ready infrastructure projects.

PART 3:

FUNDING STRATEGIES

Elk River Funding Strategies

Potential Funding Sources

Overview

There are a number of federal, state and foundation funding programs that appear to be good fits for the various recommended strategies in this EDA Strategic Plan. A full list of the programs, categorized by project type, is presented in a table that follows this memorandum. Below are a few of the best fits for the overarching strategies of Highway 169 Redefine Enhancements, Industrial Park Infrastructure, Redevelopment, Outdoor Recreation, and Housing.

HIGHWAY 169 REDEFINE ENHANCEMENTS

Minnesota Department of Employment and Economic Development (DEED), Transportation Economic Development Infrastructure – *For road and public infrastructure projects that create jobs and support economic development.*

Eligible Applicants:

Governmental units as defined by state law.

Eligible Activities:

- Money in the program shall not be used on trunk highway improvements but can be used for needed infrastructure improvements and nontrunk highway improvements in coordination with trunk highway improvement projects undertaken by the Department of Transportation.
- Predesign, design, acquisition of land, construction, reconstruction, and infrastructure improvements that will promote economic development, increase employment, and improve transportation systems to accommodate private investment and job creation.

Max Grant:

No maximum, but funding is often limited; so in practice the maximum is <\$5 million if not closer to \$1-2million.

Deadline:

Recently received funding from the 2020 Minnesota Bonding Bill. DEED anticipates a summer 2021 solicitation.

Assessment / Next Steps

Good fit for non-Trunk Highway infrastructure improvements including adjacent roadways, sewer, water, and other utilities.

American Association of Retired Persons (AARP), Community Challenge – *To improve housing, transportation, public space, technology ("smart cities"), civic engagement and more.*

Eligible Applicants:

501(C)(3), 501(C)(4) and 501(c)(6) nonprofits, government entities, other types of organizations will be considered on a case-by-case basis.

Relevant Eligible Activities:

- Deliver a range of transportation and mobility options that increase connectivity, walkability, bikeability, wayfinding, access to transportation options and roadway improvements.
- Other community improvements: In addition to the five areas of focus, AARP wants to hear about local needs and new, innovative ideas for addressing them.

Design with community in mind

Max Grant:

Grants can range from several hundred dollars for smaller, short-term activities to several thousand or tens of thousands of dollars for larger projects.

Deadline:

Annual program, typically in May.

Assessment / Next Steps

Good fit for some ancillary improvements to 169 such as signage and wayfinding, enhancements including artistic elements, distinctive features or branding, considerations for non-motorized travelers such as bicyclists and pedestrians. Work closely with MnDOT in terms of additional elements that could be included and position for the next round in May 2021.

Minnesota Department of Transportation, Transportation Alternatives (TA) – *Provides program funding for a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, and environmental mitigation related to stormwater and habitat connectivity.*

Eligible Applicants:

Must be an entity eligible to receive federal TA funding. Eligible applicants are: a local government, a regional transportation authority, a transit agency, a natural resource or public land agency, a school district, local education agency, or school, a tribal government, a nonprofit entity responsible for the administration of local transportation safety programs. or any other local or regional governmental entity with responsibility for, or oversight of, transportation or recreational trails.

Relevant Eligible Activities:

- Construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other non-motorized forms of transportation, including sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming techniques, lighting and other safety-related infrastructure, and transportation projects to achieve compliance with the Americans with Disabilities Act of 1990.
- Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers, including children, older adults, and individuals with disabilities to access daily needs.
- Any environmental mitigation activity, including pollution prevention and pollution abatement activities and mitigation to:
 - address stormwater management, control, and water pollution prevention or abatement related to highway construction or due to highway runoff, or
 - reduce vehicle-caused wildlife mortality or to restore and maintain connectivity among terrestrial or aquatic habitats.

Max Grant:

Up to 80% of eligible construction costs; no maximum amount listed but impacted by amount of funding.

Deadline:

Annual program with letters of interest typically due the end of October and final applications due early January. Awards announced in April.

Design with community in mind

Assessment / Next Steps

If trail facilities or other non-motorized forms of transportation, calming techniques or other safety related features are desired but not part of the funded MnDOT project, then the City could target fall 2021 for an application to this program, again in close coordination with MnDOT.

INDUSTRIAL PARK INFRASTRUCTURE

Federal Economic Development Administration, Public Works and Economic Adjustment Assistance –
Promoting innovation and competitiveness, preparing American regions for economic growth and success in the worldwide economy

Eligible Applicants:

Nonprofits, Native American tribal organizations, State governments, Special district governments, Public and Private institutions of higher education, County governments, City or township governments.

Eligible Activities:

Projects supporting water and sewer system improvements, industrial parks, high-tech shipping and logistics facilities, workforce training facilities, business incubators and accelerators, brownfield redevelopment, technology-based facilities, wet labs, multi-tenant manufacturing facilities, science and research parks, and telecommunications infrastructure and development facilities.

Max Grant:

50% of total project costs, up to \$3,000,000 maximum. Minimum request is \$100,000.

Deadline:

Applications are accepted at any time.

Assessment / Next Steps

Industrial park development is a strong match with this US EDA program. First, confirm alignment with the Comprehensive Economic Development Strategy (CEDS) recently completed for the 7W area. Then discuss with EDA Representative Darrin Fleener, 312-789-9753, dfleener@eda.gov. This is an ongoing application process so at any time that a project is identified and studied an application can be submitted. Typically takes two – three months from the time a completed application is submitted until a decision is made.

Minnesota Department of Employment and Economic Development (DEED), Greater Minnesota Public Infrastructure –
To stimulate new economic development, create new jobs and retains existing jobs through investments in public infrastructure.

Eligible Applicants:

Counties outside of the seven-county metropolitan area or statutory or home rule cities outside of the seven-county metropolitan area.

Eligible Activities:

Eligible projects include publicly owned infrastructure that supports economic development projects, including wastewater collection and treatment, drinking water, storm sewers, utility extensions, and streets.

Max Grant:

50% of eligible, capital costs for eligible projects up to \$2,000,000.

Design with community in mind

Deadline:

Year-round application process.

Assessment / Next Steps

Strong fit for infrastructure related to new industrial parks or expansion of new ones. Also can be used for single-user manufacturing facilities. Recommend starting application as soon as a project is defined. Can be used in conjunction with the US EDA grant program.

REDEVELOPMENT

US Environmental Protection Agency, Brownfields Assessment Grant Program – *To empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields.*

Eligible Applicants:

County, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments, any other regional or interstate government entity, or any agency or instrumentality of a local government.

Relevant Eligible Activities:

Provides funding to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community involvement related to brownfield sites.

Max Grant:

- Community-wide grant - \$300,000
- Site-specific grant - \$200,000
- Assessment Coalition Grants (2 or more eligible entities) - \$600,000
- No match required

Deadline:

Annual program but timing varies ... 2019 deadlines were in December; 2020 deadlines were in October. Anticipate next funding cycle with deadlines in late summer/early fall of 2021.

Assessment / Next Steps

This program is a great way for Elk River to investigate suspected and known contamination. It can take a couple of rounds of applying before being awarded a grant so recommend a 2021 application. City needs to determine whether to pursue community-wide (more control but less money) or coalition (less control but more money) grant. We can help you navigate this.

Minnesota Department of Employment & Economic Development, Contamination Investigation and RAP Development

Eligible Applicants:

Cities, EDAs, HRAs, Port Authorities, Counties

Relevant Eligible Activities:

Investigation of potentially contaminated sites with redevelopment potential.

Max Grant:

75% of costs, up to \$50,000

Design with community in mind

Deadline:

May 1 and November 1 of each year.

Assessment / Next Steps

This program is a great way for Elk River to investigate suspected and known contamination. Once an EPA Assessment grant is secured, should pursue this program and use the EPA funds as match. This assessment activity can be the impetus to full life-cycle funding for redevelopment projects:

1. Assessment activities as listed above;
2. Clean-up grant programs (US EPA and DEED) listed in the matrix should be pursued;
3. Redevelopment grants (DEED and US EDA) – and potentially others depending on the end use – should be pursued.

OUTDOOR RECREATION / QUALITY OF LIFE

Minnesota Department of Natural Resources, Land & Water Conservation Fund (LWCF) – *Encourages creation and interpretation of high-quality outdoor recreational opportunities.*

Eligible Applicants:

Towns, villages, cities, counties, tribal governments, school districts or other state political subdivisions

Eligible Activities:

- Land acquisition or development projects that will provide opportunities for public outdoor recreation.
- Property with frontage on rivers, streams, lakes, estuaries and reservoirs that will provide water based outdoor recreation.
- Property that provides special recreation opportunities, such as floodplains, wetlands and areas adjacent to scenic highways.
- Natural areas and outstanding scenic areas, where the objective is to preserve the scenic or natural values, including wildlife areas and areas of physical or biological importance. These areas shall be open to the general public for outdoor recreation use to the extent that the natural attributes of the areas will not be seriously impaired or lost.
- Land or development within urban areas for day use picnic areas.
- Land or development of nature-based outdoor recreation trails.
- Development of basic outdoor recreation facilities.
- Renovation of existing outdoor recreation facilities which are in danger of being lost for public use.

Max Grant:

50% of project costs

Deadline:

Annual solicitation, May 1 deadline

Assessment / Next Steps

Recommended strategies around trail development along the Mississippi River appear to be a great fit for this program and should be pursued.

1. Meet with MN DNR (who administers this Federal program) regional staff.
2. Position for May 2021 application submittal.

Design with community in mind

Greater Minnesota Parks and Trails Commission (GMPTC), Parks & Trails Legacy Grant program –
Supports parks and trails of statewide or regional significance.

Eligible Applicants:

Counties and cities outside of 7-county metro area

Eligible Activities:

Acquisition and/or development/ redevelopment of Regionally Significant Parks that have secured a high designation from GMRPTC

Max Grant:

No maximum grant or match requirement; however, those projects that provide a match are more competitive.

Deadline:

- Must have a Master Plan to apply for designation.
- Applications for designation accepted year-round.
- Once designated, annual deadline for funding applications typically close in July.

Assessment / Next Steps

Recommended strategies around trail development along the Mississippi River appear to be a great fit for this program and should be pursued, starting with submission of a Master Plan. GMRPTC has an on-line Master Plan tool that can and should be utilized.

HOUSING

Minnesota Housing Finance Agency, Workforce Housing Development Program – *To build market rate residential rental properties in communities with proven job growth and demand for workforce rental housing.*

Eligible Applicants:

A home rule charter or statutory city located outside of the metropolitan area with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area; or an area served by a joint county-city economic development authority.

Eligible Activities:

- Project-specific costs resulting in the direct development of market rate residential rental housing units within properties to serve employees of businesses located in the eligible project area or surrounding area.
- A market rate residential rental property is a property that is rented at market value without income or rent restrictions; there can be mix including income-restricted units but preference to developments with the highest proportion of market rate units.

Max Grant:

Up to 25% of total development costs as grant or deferred loan, applicant must indicate preference. The term will be three years. Deferred loans will have a 0% interest rate and will be forgiven after the three-year term.

Deadline:

Current round open; anticipate next funding cycle late 2021.

Design with community in mind

Assessment / Next Steps

Critical partners include residential rental housing developer and one or more businesses that employ a minimum of 20 full-time equivalent employees in aggregate, indicating that the lack of available rental housing has impeded the ability of the business to recruit and hire employees. Once identified, position for future funding rounds, typically last quarter of the calendar year.

Potential Infrastructure Stimulus Package in Response to Coronavirus Pandemic

We anticipate that Congress will turn their focus to an infrastructure stimulus plan that will emphasize recovery. However, there remains significant need on the relief side so we may be several months out from an infrastructure package. Shovel-ready projects will likely take priority for any infrastructure stimulus funding. Stantec has a team that is monitoring and evaluating the hundreds of pieces of legislation that are coming out at the state and federal levels to identify which ones are relevant for our client communities.

The time is now for Elk River to prepare and think broadly about what their priorities are and what types of projects will increase their resiliency to withstand future economic shocks and further their long-term goals.

Highway 169 Redefine Enhancements Funding Programs								
Program	Agency	Purpose / Goals	Applicant Eligibility	Eligible Use of Funds	Loan or Grant Maximums & Terms	Additional Requirements / Notes	Funding Cycle	Contact / More Information
Community Challenge	American Association of Retired Persons (AARP)	To improve housing, transportation, public space, technology ("smart cities"), civic engagement and more.	501(C)(3), 501(C)(4) and 501(c)(6) nonprofits, government entities, other types of organizations will be considered on a case-by-case basis.	<p>Prioritize projects that aim to achieve the following outcomes:</p> <ul style="list-style-type: none">* Increasing civic engagement with innovative and tangible projects that bring residents and local leaders together to address challenges and facilitate a greater sense of community inclusion and diversity. (Although this category is targeted to local governments, nonprofit organizations can apply for and receive a grant in this category provided they demonstrate that they are working with local governments to solicit and include residents' insights about the project or to help solve a pressing challenge.)* Create vibrant public places that improve open spaces, parks and access to other amenities. <p>* Deliver a range of transportation and mobility options that increase connectivity, walkability, bikeability, wayfinding, access to transportation options and roadway improvements.</p> <ul style="list-style-type: none">* Support the availability of a range of housing that increases accessible and affordable housing options.* Demonstrate the tangible value of "Smart Cities" with programs that engage residents in accessing, understanding and using data, and participating in decision-making to increase the quality of life for all.* Other community improvements: In addition to the five areas of focus, AARP wants to hear about local needs and new, innovative ideas for addressing them.	Grants can range from several hundred dollars for smaller, short-term activities to several thousand or tens of thousands of dollars for larger projects.	Planning activities not eligible.	Annually, May	Livable@AARP.org.
Our Town	National Endowment for the Arts (NEA)	Supports projects that integrate arts, culture, and design activities into efforts that strengthen communities by advancing local economic, physical, and/or social outcomes.	Partnerships required between governmental, nonprofit, and private sector leadership. These partnerships must involve two primary partners, as defined by these guidelines: Nonprofit organization; Local government entity; and one of these two primary partners must be a cultural (arts or design) organization.	<p>Projects may include activities such as:</p> <p><u>Arts Engagement:</u> Artist residency, Arts festivals, Community co-creation of art, Performances, Public art;</p> <p><u>Cultural Planning: Creating a cultural plan, or integrating plans and policies around arts and culture as part of a city master planning process, Cultural district planning (The process of convening stakeholders to identify a specific geography with unique potential for community and/or economic development based on cultural assets), Creative asset mapping (identifying the people, places, physical infrastructure, institutions, and customs that hold meaningful aesthetics, historical, and/or economic value that make a place unique), Public art planning (The process of developing community-wide strategies and/or policies that guide and support commissioning, installing, and maintaining works of public art and/or temporary public art);</u></p> <p><u>Design:</u> Artist/designer-facilitated community planning, Design of artist space, Design of cultural facilities i.e. design processes to support the creation of a dedicated building or space for creating and/or showcasing arts and culture, Public space design i.e. The process of designing elements of public infrastructure, or spaces where people congregate (e.g., parks, plazas, landscapes, neighborhoods, districts, infrastructure, and artist-produced elements of streetscapes).</p> <p><u>Artist and Creative Industry Support:</u> Creative business development, Professional artist development.</p>	Grants range from \$25,000 - \$150,000 with 50% non-federal match required.	Project may be subject to the National Historic Preservation Act (NHPA) and/or the National Environmental Policy Act (NEPA).	Annual program, typically in August	OT@arts.gov
Accelerating Innovative Mobility (AIM) Challenge Grants	Federal Transit Administration (FTA)	To foster innovative transit technologies, practices and solutions that incentivize travelers to choose public transportation, promote economic development in communities, and enhance public/private partnerships to improve personal mobility.	Providers of public transportation, including public transportation agencies, state/local government DOTs, and federally recognized Indian tribes.	Projects that demonstrate innovative technologies, applications, practices, and/or service models that can lead to more efficient public transportation service, better mobility for individuals, and enhance the overall rider experience, with special emphases on innovative service delivery models, creative financing, novel partnerships and integrated payment solutions. Applicants are also encouraged to submit applications with other innovative models and ideas that may not fall into one of these areas.	There is no minimum or maximum grant award amount; but amount of Federal share capped at 80%. \$11 million was total available in FY 2019.	Highlight innovation as part of their selection criteria.	Last round closed April 17, 2020; anticipate the next round opening February / March 2021	202-366-4052
Transportation Alternatives	Minnesota Department of Transportation (MnDOT)	Provides program funding for transportation alternatives (TA). These set-aside funds include all projects and activities that were previously eligible under TAP, encompassing a variety of smaller-scale transportation projects such as pedestrian and bicycle facilities, recreational trails, safe routes to school projects, community improvements such as historic preservation and vegetation management, and environmental mitigation related to stormwater and habitat connectivity.	Must be an entity eligible to receive federal TA funding. Eligible applicants are: a local government, a regional transportation authority, a transit agency, a natural resource or public land agency, a school district, local education agency, or school, a tribal government, a nonprofit entity responsible for the administration of local transportation safety programs. or any other local or regional governmental entity with responsibility for, or oversight of, transportation or recreational trails.	<ol style="list-style-type: none">1. Construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other non-motorized forms of transportation, including sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming techniques, lighting and other safety-related infrastructure, and transportation projects to achieve compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).2. Construction, planning, and design of infrastructure-related projects and systems that will provide safe routes for non-drivers, including children, older adults, and individuals with disabilities to access daily needs.3. Conversion and use of abandoned railroad corridors for trails for pedestrians, bicyclists, or other non-motorized transportation users.4. Construction of turnouts, overlooks, and viewing areas.5. Community improvement activities, which include but are not limited to:<ul style="list-style-type: none">o inventory, control, or removal of outdoor advertising;o historic preservation and rehabilitation of historic transportation facilities;o vegetation management practices in transportation rights-of-way to improve roadway safety, prevent against invasive species, and provide erosion control; ando archaeological activities relating to impacts from implementation of a transportation project eligible under title 23.6. Any environmental mitigation activity, including pollution prevention and pollution abatement activities and mitigation to:<ul style="list-style-type: none">o address stormwater management, control, and water pollution prevention or abatement related to highway construction or due to highway runoff, oro reduce vehicle-caused wildlife mortality or to restore and maintain connectivity among terrestrial or aquatic habitats.	Up to 80% of eligible construction costs; no maximum amount listed but impacted by amount of funding.	Work through the Fargo-Moorhead Council of Governments.	Annual program with letters of interest typically due the end of October and final applications due early January. Awards announced in April.	Zue Vue, 651-366-3736 zue.vue@state.mn.us

Highway 169 Redefine Enhancements Funding Programs								
Program	Agency	Purpose / Goals	Applicant Eligibility	Eligible Use of Funds	Loan or Grant Maximums & Terms	Additional Requirements / Notes	Funding Cycle	Contact / More Information
Transportation Economic Development Infrastructure	Minnesota Department of Employment and Economic Development (DEED)	For road and public infrastructure projects that create jobs and support economic development.	Governmental units as defined by state law	Money in the program shall not be used on trunk highway improvements, but can be used for needed infrastructure improvements and nontrunk highway improvements in coordination with trunk highway improvement projects undertaken by the Department of Transportation. Predesign, design, acquisition of land, construction, reconstruction, and infrastructure improvements that will promote economic development, increase employment, and improve transportation systems to accommodate private investment and job creation.	No max, but funding is often limited, so in practice the maximum is <\$5 million if not closer to \$1-2million	There is no match requirement, however major components of scoring in the competitive process are the level of private investment and the leverage of nonstate funds. Applications with little or no leverage will likely be uncompetitive.	Recently received funding from the 2020 Minnesota Bonding Bill. DEED anticipates a summer 2021 solicitation.	Jeremy LaCroix, 651.259.7457 jeremy.lacroix@state.mn.us

INDUSTRIAL PARK INFRASTRUCTURE FUNDING PROGRAMS								
Program	Agency	Purpose / Goals	Applicant Eligibility	Eligible Use of Funds	Loan or Grant Maximums & Terms	Additional Requirements / Notes	Funding Cycle	Contact / More Information
Transportation Economic Development Infrastructure	Minnesota Department of Employment and Economic Development (DEED)	For road and public infrastructure projects that create jobs and support economic development.	Governmental units as defined by state law	Money in the program shall not be used on trunk highway improvements, but can be used for needed infrastructure improvements and nontrunk highway improvements in coordination with trunk highway improvement projects undertaken by the Department of Transportation. Predesign, design, acquisition of land, construction, reconstruction, and infrastructure improvements that will promote economic development, increase employment, and improve transportation systems to accommodate private investment and job creation.	No max, but funding is often limited, so in practice the maximum is <\$5 million if not closer to \$1-2million	There is no match requirement, however major components of scoring in the competitive process are the level of private investment and the leverage of nonstate funds. Applications with little or no leverage will likely be uncompetitive.	Recently received funding from the 2020 Minnesota Bonding Bill. DEED anticipates a summer 2021 solicitation.	Jeremy LaCroix, 651.259.7457 jeremy.lacroix@state.mn.us
Greater Minnesota Public Infrastructure	Minnesota Department of Employment and Economic Development (DEED)	To stimulate new economic development, create new jobs and retains existing jobs through investments in public infrastructure.	Counties outside of the seven-county metropolitan area or statutory or home rule cities outside of the seven-county metropolitan area.	Eligible projects include publicly owned infrastructure that supports economic development projects, including wastewater collection and treatment, drinking water, storm sewers, utility extensions, and streets.	50% of eligible, capital costs for eligible projects, pending availability of funds. Applicants may receive no more than \$2,000,000 in two years for one or more projects.	Cities must provide a match of at least 50 percent of the project capital costs. The city receiving the grant must provide for the remainder of the capital costs of the project, either in cash or in-kind contributions, which may include the value of the capital costs of site preparation other than the public infrastructure needed for the project.	Year-round	Jeremy LaCroix, 651.259.7457 jeremy.lacroix@state.mn.us
Public Works Program	US Economic Development Administration (EDA)	Provides grants to economically distressed areas for public works projects that: promote economic development; create long-term jobs; and/or benefit low-income persons or the long-term unemployed.	States, cities, counties; Indian tribes; the Federated States of Micronesia; the Republic of the Marshall Islands; commonwealths and territories of the United States; and private or public nonprofits representing a redevelopment area or a designated economic development center.	Construction of key public infrastructure, such as technology-based facilities that utilize distance learning networks, smart rooms, and smart buildings; multitenant manufacturing; business incubator facilities; skill-training facilities and other facilities.	50% of total project costs, up to \$3,000,000	Must align with regional Comprehensive Economic Development Strategy (CEDS) document	Year-round	EDA Regional Office https://www.eda.gov/contact/

REDEVELOPMENT FUNDING PROGRAMS (gravel mine, power plant, downtown → tourism)								
Program	Agency	Purpose / Goals	Applicant Eligibility	Eligible Use of Funds	Loan or Grant Maximums & Terms	Additional Requirements / Notes	Funding Cycle	Contact / More Information
Small Cities Development Program	Minnesota Department of Employment & Economic Development (DEED)	1) Must benefit low- to moderate-income persons, eliminate slum & blight, or respond to urgent community threat (flood, tornado) 2) Must apply Federal Davis Bacon Wage Rates to construction activities	Cities < 50,000 residents and Counties < 200,000 residents	Public Facilities (sewer, water, storm); Housing & Commercial Rehab; New Housing Construction	Grant; up to \$600,000 for single-purpose application; \$1.4 million for 2+ activities	Elk River would only qualify for site specific activities, i.e. rental housing and commercial rehab in a targeted area (downtown).	Annual program, typically with a pre-application due in November, final application in February and awards in May / June.	Michelle Vang, 651-259-7504 michelle.vang@state.mn.us
Our Town	National Endowment for the Arts (NEA)	Supports projects that integrate arts, culture, and design activities into efforts that strengthen communities by advancing local economic, physical, and/or social outcomes.	Partnerships required between governmental, nonprofit, and private sector leadership. These partnerships must involve two primary partners, as defined by these guidelines: Nonprofit organization; Local government entity; and one of these two primary partners must be a cultural (arts or design) organization.	Projects may include activities such as: <u>Arts Engagement</u> : Artist residency, Arts festivals, Community co-creation of art, Performances, Public art; <u>Cultural Planning</u> : Creating a cultural plan, or integrating plans and policies around arts and culture as part of a city master planning process, Cultural district planning (The process of convening stakeholders to identify a specific geography with unique potential for community and/or economic development based on cultural assets), Creative asset mapping (identifying the people, places, physical infrastructure, institutions, and customs that hold meaningful aesthetics, historical, and/or economic value that make a place unique), Public art planning (The process of developing community-wide strategies and/or policies that guide and support commissioning, installing, and maintaining works of public art and/or temporary public art); <u>Design</u> : Artist/designer-facilitated community planning, Design of artist space, Design of cultural facilities i.e. design processes to support the creation of a dedicated building or space for creating and/or showcasing arts and culture, Public space design i.e. The process of designing elements of public infrastructure, or spaces where people congregate (e.g., parks, plazas, landscapes, neighborhoods, districts, infrastructure, and artist-produced elements of streetscapes). <u>Artist and Creative Industry Support</u> : Creative business development, Professional artist development.	Grants range from \$25,000 - \$150,000 with 50% non-federal match required.	Project may be subject to the National Historic Preservation Act (NHPA) and/or the National Environmental Policy Act (NEPA).	Annual program, typically in August	OT@arts.gov
Contamination Investigation and RAP Development	Minnesota Department of Employment & Economic Development (DEED)	Economic Development (job creation, tax base increase)	Cities, EDAs, HRAs, Port Authorities, Counties	Investigation of potentially contaminated sites with redevelopment potential.	75% of costs or \$50,000, whichever is less	Must have serious redevelopment potential	May 1 and November 1 of each year	Brownfields & Redevelopment 651-259-7449 www.positivelyminnesota.com
Contamination Cleanup	Minnesota Department of Employment & Economic Development (DEED)	Economic Development (job creation, tax base increase)	Cities, EDAs, HRAs, Port Authorities, Counties	Investigation and cleanup costs necessary to implement RAP	Grant, up to 75% of project costs	Must have serious redevelopment potential	May 1 and November 1 of each year	Brownfields & Redevelopment 651-259-7449 www.positivelyminnesota.com
Site Assessment Program	Minnesota Pollution Control Agency (MPCA)	Stimulate redevelopment	Cities, EDAs, HRAs, Port Authorities, Counties	Investigation of potentially contaminated sites with redevelopment potential.	Up to ½ of Investigation costs	Must pose a potential threat, with no responsible or voluntary party	Apply as needed	Wayne Sarappo MPCA 651-757-2690 www.pca.state.mn.us
Brownfields Assessment Grant Program	U.S Environmental Protection Agency (EPA)	To empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields.	County, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.	Provides funding to inventory, characterize, assess, conduct a range of planning activities, develop site-specific cleanup plans, and conduct community involvement related to brownfield sites.	No match required; maximum amounts are: Community-wide grant - \$300,000 Site-specific grant - \$200,000 Assessment Coalition Grants (2 or more eligible entities) - \$600,000	Must address eligible contamination: hazardous substances, pollutants, contaminants (including hazardous substances co-mingled with petroleum), and/or petroleum.	Annual program; current cycle is open with deadline of 10/28/20.	Matthew Didier, 312-353-2112 didier.matthew@epa.gov,
Brownfields Clean Up Grants	U.S Environmental Protection Agency (EPA)	To empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields.	County, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.	To carry out cleanup activities at brownfield sites owned by the applicant. Funds may be used to address sites contaminated by petroleum and/or hazardous substances, pollutants, or contaminants (including hazardous substances comingled with petroleum).Can address either a single brownfield site or multiple brownfield sites within the same application.	Grant up to \$500,000; must provide 20% non-federal match.	An applicant must own the site for which it is requesting funding. The performance period for these grants is three years.	Annual program; current cycle is open with deadline of 10/28/20.	Matthew Didier, 312-353-2112 didier.matthew@epa.gov,

OUTDOOR RECREATION FUNDING PROGRAMS (quality of life, tourism)								
Program	Agency	Purpose / Goals	Applicant Eligibility	Eligible Use of Funds	Loan or Grant Maximums & Terms	Additional Requirements / Notes	Funding Cycle	Contact / More Information
Local Trails Connection Program	Minnesota Department of Natural Resources (MN DNR)	To promote relatively short trail connections between where people live and desirable locations.	Cities, counties, and townships	Acquisition and development of trail facilities	Grants up to 75 percent of the total eligible project costs, up to \$150,000	Acquisition projects require a perpetual easement for recreational purposes. Development projects require a 20 year maintenance commitment by the project sponsor.	Annually, typically the end of March	Dan Golner, 651-259-5599 Daniel.Golner@state.mn.us
Outdoor Recreation Grant Program	Minnesota Department of Natural Resources (MN DNR)	To increase and enhance outdoor recreation facilities in local and community parks throughout the state.	Cities, counties, and townships	Park acquisition and/or development/redevelopment including, internal park trails, picnic shelters, playgrounds, athletic facilities, boat accesses, fishing piers, swimming beaches and campgrounds	Grants up to 50 percent of the total eligible costs, up to \$250,000	Project proposals must include at least one of the eligible primary outdoor recreation facilities in the Program Manual and have a total project cost of at least \$20,000.	Annually, typically the end of March	Audrey Mularie, 651-259-5549 audrey.mularie@state.mn.us
Minnesota Capital Bonding Bill	Minnesota Legislature	State-issued general obligation bonds to fund critical projects and strategic investments across the state, particularly projects that: Address life and safety issues; Preserve existing infrastructure and repair existing facilities before starting new projects; Minimize construction tails and operating costs.	Public bodies (city, township, county or special district), Indian tribes	State Appropriations can be accessed for a variety of capital projects that can argue state or regional significance	Grant; Up to 50% of capital project costs	Must be a capital project, publicly owned, state wage rates and B3 guidelines apply to the construction.	June in odd numbered years for the even numbered year bonding cycle.	Liz Connor, 651-201-8041, Elizabeth.Connor@state.mn.us
Land and Water Conservation Program	National Park Service	Development of high-quality outdoor recreation amenities in local communities.	Local & tribal governments and school districts	Land acquisition for parks & trails; construction of trails/biking/hiking paths, canoe/kayak launches, riverfront park amenities, park shelters, camping facilities, wildlife/nature observation & restroom facilities; and active outdoor sports facilities	50% of eligible costs	Priorities: Meet the needs of urban areas; Provide recreation opportunities for diverse populations; Acquire land in areas with limited outdoor recreation facilities; Provide multi-use and multi-season facilities; Enhance or preserve natural beauty; Applicants have financial resources to adequately maintain & operate the project.	Annual solicitation, May 1 deadline	Mai Neng Moua, 651-259-5638 mai.n.moua@state.mn.us
Regional Trail Program	Minnesota Department of Natural Resources (MN DNR)	To promote development of regionally significant trails outside the seven-county metropolitan area.	Counties, cities and townships	Priority for trail project funding will be given to projects that develop trails of significant length - s at least an hour of outdoor recreation opportunity, or connects to other facilities that can provide at least an hour of recreation in total.	75% up to \$250,000 grant	Significant considerations also include expected amount and type of use, and quality and attractiveness of natural and cultural resources.	Annually, March 27	Dan Golner, 651-259-5599 Daniel.Golner@state.mn.us
Federal Recreational Trail Program	Minnesota Department of Natural Resources (MN DNR)	To encourage the maintenance and development of motorized, non-motorized, and diversified trails by providing funding assistance.	Counties, cities and townships	Motorized and non-motorized trail projects; maintenance/ restoration of existing rec trails; development/ rehabilitation of rec trail linkages, including trail head facilities; redesign/ relocation of trails to benefit/ minimize the impact to the natural environment.	75% up to \$150,000 grant - Funding from Fed. Hwy Trust Fund	Projects that involve urban youth corps workers such as the Conservation Corps Minnesota will be given special consideration.	Annually, February 28	Dan Golner, 651-259-5599 Daniel.Golner@state.mn.us
Parks & Trails Legacy Grant Program	Greater MN Regional Parks & Trails Commission (GMRPTC)	Supports parks and trails of statewide or regional significance.	Counties and cities outside of 7-county metro area	Acquisition and/or development/ redevelopment of Regionally Significant Parks that have secured a high designation from GMRPTC	Grant; no required match or maximum funding amount	To be considered for high designation, parks must have natural resource-based settings and activities, and serve multiple communities; other factors may include size, special features, and recreation opportunities not available elsewhere in the area; ongoing application process for designation ranking.	Must have a Master Plan to apply for designation. Applications for designation accepted year-round. Once designated, annual deadline for funding applications typically close in July.	coordinator@gmrptcommission.org
Doppelt Family Trail Development Fund - Project Transformation Grant	Rails-to-Trails Conservancy	To improve and connect trails across the country.	Nonprofit organizations; state, regional, local or tribal government agencies; and other organizations.	Activities may include, but are not limited to: new trail construction, trail facility/infrastructure (e.g., trailheads, bathrooms), land acquisition, trail signage, improvements to existing trails and significant maintenance tasks.	Grants range from \$15,000 - \$50,000	Need to determine that water trails could be counted towards multi-use trail corridor. From guidelines "the trail must serve or plan to serve multiple user types (e.g., bicycling, walking/hiking) and be considered a trail, greenway, multi-use trail or shared-use path."	Annually, awaiting new cycle, potentially December / January	grants@railstotrails.org
Community Grants	People for Bikes	To build momentum for bicycling in communities across the U.S.	Non-profit organizations, city or county agencies or departments, and state or federal agencies working locally	Bicycle infrastructure projects such as: Bike paths, lanes, trails, and bridges; Mountain bike facilities; Bike parks and pump tracks; BMX facilities; End-of-trip facilities such as bike racks, bike parking, bike repair stations and bike storage.	Grant, 50% up to \$10,000	Two-step application process: 1. Letter of Interest 2. Full Application: PFB will request a full project application from a short list of qualified applicants.	Canceled Fall 2020 cycle; check back in Nov. for 2021 grant schedule	Zoe Kircos, (720) 726-3335 zoe@peopleforbikes.org https://peopleforbikes.org/our-work/community-grants/
Community Challenge	American Association of Retired Persons (AARP)	To improve housing, transportation, public space, technology ("smart cities"), civic engagement and more.	501(C)(3), 501(C)(4) and 501(c)(6) nonprofits, government entities, other types of organizations will be considered on a case-by-case basis.	Prioritize projects that aim to achieve the following outcomes: * Increasing civic engagement with innovative/tangible projects that bring residents/local leaders together to address challenges and facilitate a greater sense of community inclusion and diversity. * Create vibrant public places that improve open spaces, parks and access to other amenities. * Deliver a range of transportation and mobility options that increase connectivity, walkability, bikeability, wayfinding, access to transportation options and roadway improvements. * Support the availability of a range of housing that increases accessible and affordable housing options. * Demonstrate the tangible value of "Smart Cities" with programs that engage residents in accessing, understanding and using data, and participating in decision-making to increase the quality of life for all. * Other community improvements: In addition to the five areas of focus, AARP wants to hear about local needs and new, innovative ideas for addressing them.	Grants can range from several hundred dollars for smaller, short-term activities to several thousand or tens of thousands of dollars for larger projects.	Planning activities not eligible.	Annually, May	Livable@AARP.org.

HOUSING FUNDING PROGRAMS								
Program	Agency	Purpose / Goals	Applicant Eligibility	Eligible Use of Funds	Loan or Grant Maximums & Terms	Additional Requirements / Notes	Funding Cycle	Contact / More Information
Small Cities Development Program	Minnesota Department of Employment & Economic Development (DEED)	1) Must benefit low- to moderate-income persons, eliminate slum & blight, or respond to urgent community threat (flood, tornado) 2) Must apply Federal Davis Bacon Wage Rates to construction activities	Cities < 50,000 residents and Counties < 200,000 residents	Public Facilities (sewer, water, storm); Housing & Commercial Rehab; New Housing Construction	Grant; up to \$600,000 for single-purpose application; \$1.4 million for 2+ activities	Elk River would only qualify for site specific activities, i.e. rental housing and commercial rehab in a targeted area (downtown).	Annual program, typically with a pre-application due in November, final application in February and awards in May / June.	Michelle Vang, 651-259-7504 michelle.vang@state.mn.us
Workforce Housing Development Program	Minnesota Housing Finance Agency	To build market rate residential rental properties in communities with proven job growth and demand for workforce rental housing.	A home rule charter or statutory city located outside of the metropolitan area with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside the metropolitan area; or an area served by a joint county-city economic development authority.	Project-specific costs resulting in the direct development of market rate residential rental housing units within properties to serve employees of businesses located in the eligible project area or surrounding area. A market rate residential rental property is a property that is rented at market value without income or rent restrictions; there can be mix including income-restricted units but preference to developments with the highest proportion of market rate units.	Up to 25% of total development costs as grant or deferred loan, applicant must indicate preference. The term will be three years. Deferred loans will have a 0% interest rate and will be forgiven after the three-year term.	Must be working with a developer Must have a viable proposal for the development of a Market Rate Residential Rental Property, which can include mixed income. Priority will be given to applicants located in an eligible project area that has a population below 30,000.	12:00 pm, Thursday, December 17, 2020	Sara Bunn, 651-296-9827 sara.bunn@state.mn.us
Community Challenge	American Association of Retired Persons (AARP)	To improve housing, transportation, public space, technology ("smart cities"), civic engagement and more.	501(C)(3), 501(C)(4) and 501(c)(6) nonprofits, government entities, other types of organizations will be considered on a case-by-case basis.	Prioritize projects that aim to achieve the following outcomes: * Increasing civic engagement with innovative/tangible projects that bring residents/local leaders together to address challenges and facilitate a greater sense of community inclusion and diversity. * Create vibrant public places that improve open spaces, parks and access to other amenities. * Deliver a range of transportation and mobility options that increase connectivity, walkability, bikeability, wayfinding, access to transportation options and roadway improvements. * Support the availability of a range of housing that increases accessible and affordable housing options. * Demonstrate the tangible value of "Smart Cities" with programs that engage residents in accessing, understanding and using data, and participating in decision-making to increase the quality of life for all. * Other community improvements: In addition to the five areas of focus, AARP wants to hear about local needs and new, innovative ideas for addressing them.	Grants can range from several hundred dollars for smaller, short-term activities to several thousand or tens of thousands of dollars for larger projects.	Planning activities not eligible.	Annually, May	Livable@AARP.org.