Economic Development Authority

Forest Lake
AS GOOD AS IT SOUNDS

NOTICE OF AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

Forest Lake City Center – Community Room
Forest Lake, Minnesota

February 12, 2024 – 5:30 PM

1) Call to Order

2) Roll Call

3) Pledge of Allegiance

4) Approve the Agenda

5) Approve Minutes from Regular Meeting of January 8, 2024

6) 2024-2025 Draft EDA Work Plan Development

7) Closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(c)(3), to develop or consider offers or counteroffers for the purchase or sale of Lot 1, Block 2, Northern Pacific Addition, Washington County, Minnesota.

8) Updates

    a. City
        i. Public Transit Follow Up Meeting Discussion FYI
    b. Washington County
    c. Forest Lake Area Chamber of Commerce
    d. Other

9) Adjourn

EDA MISSION STATEMENT

Assist and support the economic climate of the City of Forest Lake through programming and communication to achieve the greatest outcome for its citizens and businesses by:

- Marketing the City and its assets
- Supporting existing businesses
- Supporting new businesses
- Creating partnerships
- Providing a vision for the future of commercial areas

*A quorum of the City Council is possible at all Board and Commission Meetings

ECONOMIC DEVELOPMENT AUTHORITY

Regular Meeting

~ Minutes ~

1408 Lake Street South
Forest Lake, MN 55025
www.ci.forest-lake.mn.us

Monday, January 8, 2024 | **5:30 PM** | **City Center - Council Chamber**

City of Forest Lake - Recorded Meetings

1. Call to Order

2. Roll Call

Attendee Name	Title	Status	Arrived
Mara Bain	EDA President	Present	
Sam Husnik	EDA Member	Present	
Jenny Lorge	EDA Member	Present	
Jeff Larson	EDA Member	Present	
Jill Grindahl	EDA Member	Absent	
Chris Hoyt	EDA Member	Present	

3. Pledge of Allegiance

4. Approve the Agenda

President Bain stated there was a shortened agenda. She suggested to strike agenda item number 7.

Motion: President Bain made a Motion to Approve the Agenda as submitted with an update to remove agenda item 7.
Motion seconded by EDA Member Lorge. Motion carried 5-0.

5. Approve EDA Meeting Minutes from Regular Meeting of December 11, 2023

Motion: EDA Member Larson made a Motion to Approve the EDA minutes from the Regular Meeting of December 11, 2023, as submitted.
Motion seconded by EDA Member Husnik. Motion carried 5-0.

6. Closed session pursuant to Minnesota Statutes § 13D.05, Subd. 3(c)(3), to develop or consider offers or counteroffers for the purchase or sale Lot 1, Block 2, Deponti First Addition, and Lot 1, Block 1, Deponti Third Addition, Washington County, Minnesota.

Motion: President Bain made a Motion to Move into Closed Session pursuant to Minnesota Statutes §13D.05 Subdivision 3(c)(3), to develop or consider offers or counteroffers for the purchase or sale Lot 1, Block 2 Deponti First Addition, and Lot 1, Block 1, Deponti Third Addition, Washington County, Minnesota.
Motion seconded by EDA Member Husnik. Motion carried 5-0.

ECONOMIC DEVELOPMENT AUTHORITY

Regular Meeting

~ Minutes ~

1408 Lake Street South
Forest Lake, MN 55025
www.ci.forest-lake.mn.us

Monday, January 8, 2024   **5:30 PM**   **City Center - Council Chamber**

Motion: President Bain made a <u>Motion to Reopen </u>the Economic Development Authority Meeting. Motion seconded by EDA Member Husnik. <u>Motion carried 5-0.</u>

7. Updates

This item was removed from the agenda upon adoption.

8. Adjourn

Motion: EDA Member Husnik made a <u>Motion to Adjourn</u> the Regularly Scheduled EDA Meeting.

Motion seconded by EDA Member Lorge. <u>Motion carried 5-0.</u>

Community Development | Forest Lake
AS GOOD AS IT SOUNDS

Date: February 12, 2024

To: President Bain and EDA Members

From: Abbi Wittman, Community Development Director

Re: Work Plan Update

In October, 2023 the EDA held a work shop session to discuss community strengths, weaknesses, opportunities, and threats as a start to the development of a new EDA work plan. In December, 2023 Washington County Economic Development Director Chris Eng review the work shop session findings with the EDA, asking EDA members to rank the Opportunities which the EDA would like to work on in the next 18 months. Based that meeting, Chris has prepared the enclosed *draft* work plan for 2024 and 2025.

EDA members should review the enclosed work plan and discuss. If the EDA is favorable to the goals, objectives and timelines outlined in the *draft* work plan, staff will bring the work plan to the City Council for their input prior to bringing the final work plan back to the EDA for final approval. It is anticipated final approval will be in March 11, 2024. If the EDA is not favorable to the goals, objectives and timelines outlined in the *draft* work plan, the EDA should provide direction to staff on modifications needed prior to sending to the Council for review.

Requested Action:

Provide feedback on the *draft* work plan and direction to staff regarding forwarding to the City Council.

Attached

2024-2025 *Draft* EDA Work Plan

DRAFT 2024-2026
City of Forest Lake Economic Development Authority
Economic Development Work Plan

Forest Lake EDA Mission Statement

To assist and support the economic climate of the City of Forest Lake through programming and communication to achieve the greatest outcome for its citizens and businesses by

- Marketing the City and its assets
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Strengths, Weaknesses, Opportunities and Challenges

In order to achieve the goals previously identified, several opportunities and challenges were identified by EDA members in order to inform future action steps. This was done at the EDA's October 9, 2023 workshop in which Washington County Economic Development Director led EDA members and Forest Lake Area Chamber Director, Nannette LaNasa in a brainstorming session.

Strengths

- Growing but room to expand/availability of land for residential and business growth
- Good/State of the Art Schools that serve many communities
- Small, lakeside community
- Vibrant array of large and small businesses (both franchise and locally-owned) that serves as a regional hub/destination
- Far enough away from metro but close enough within 30 minutes
- Active business leadership (in schools)
- Reasonable tax rate
- Room to preserve local history
- Room to improve transportation options
- Build stronger relationship/partnerships with business and community leaders
- Highlight successes of business, schools and community and increase leadership opportunities

Weaknesses

- Citizen education (how the city works, how taxes work) and public communication of local news
- The 'what is next' for vibrant downtown redevelopment
- Lack of City control for downtown redevelopment
- HWY 61 and Broadway corridors are not controlled by the City
- Infrastructure improvements (including repair and replacement) to make development easier and/or more appealing
- Self-identity (entrance monuments)
- Better planning for parks and trails
- City Codes and Ordinance development/update
- Community design/cohesion (especially in downtown area) guidelines and ordinances
- Enforcement (theatre)
- Transportation (especially when crossing county lines) and safety concerns related
- Parking downtown
- Business/Resident retention efforts
- Mixed use land use/zoning district which is widely affected by market factors and much is being developed as multiple-family residential

Opportunities

- Communication with residents (newsletter?) that is easy to get to/retrieve as well as steer the ship as we develop out
- Downtown redevelopment (with parking)
- Infrastructure (road, trails, park – dog park) development/redevelopment
- Push harder on the Headwaters 123 parcel
- Create opportunities for businesses and good jobs
- Seek out and fix the stumbling blocks (process, zoning, code, etc.)
- Business retention (willingness to help)
- Financial room from historical under-investment
- Creation of a 'better downtown' and continued evolvement of the area
- "Historic Downtown" (Lakeside Memorial Park) and Parking
- Planning as large player but has been small-town feel. We need to plan for big community.
- Work on community branding (all signage the same) – trail signage, monument signage
- More promotion (trade fairs attendance)
- Working with planning/zoning staff to input
- Consult with younger generation to see what they would like to see in their community, visit and stay
- Youth leadership
- Identify 'look and feel' of downtown area (what do we want, how do we want to look)
- Work with neighbors on regional infrastructure development and seek alternative funding sources

Threats

- Roadway ownership and improvement scheduling
- Natural resources preservation/protection and impact on local development
- Economy
- Watershed District
- Met Council (housing density requirements)
- Cost of housing
- Balance of the Single and Multi-family
- Growth rate and responsibility
- Older homes are being bought and being turned into rentals
- Home ownership trends
- Neighbor community development/Wisconsin non-residential tax rate

Goal 1 – Review public financial assistance policies and procedures and make recommendations to the City Council

A. **Action Step:** The Forest Lake EDA will review and make recommendations to the City Council on Business Subsidy, TIF, Tax Abatement, and Incentive Forgivable Loan.

> **Deliverable:** By End of Q4, 2024 – Completion of all policies in 1-3 month segments each

> **Program Costs**: Staff Time

B. **Action Step:** The Forest Lake EDA will assist the City Council in identifying uses for and distribution of new state Local Affordable Housing Aide (LAHA).

> **Deliverable:**   Q2 2024 – Identify potential LAHA Uses
> Q2 2025 – Establish LAHA Program Use Policies

> **Program Costs:** Up to $300,000 per year funded by State of MN sales tax dollars/ Staff Time

Goal 2 – Study and support opportunities for growth, development, and redevelopment

A. **Action Step:** Develop the SW Area Infrastructure Phasing Study by applying for EPA and/or Predevelopment Finance Fund grant funding through the Washington County CDA.

> **Deliverable:** Q1, 2024 – Apply for Grant
> Q2, 2024 – Completion of Phasing Study

> **Program Costs**: Up to a 50:50 match
> Staff and Consultant Time

B. **Action Step:** Refine, promote, and implement the downtown plan by engaging with diverse stakeholders to encourage downtown development and redevelopment opportunities.

> **Deliverable:** Q2, 2024 – Finalize Shoreline Stabilization and Boat Launch Relocation Study
> Q4, 2024 – Determine 2025 downtown priorities
> Ongoing – Meet with local businesses and landowners to discuss downtown needs

> **Program Costs**: Staff Time

C. **Action Step:** The Forest Lake EDA will continue to promote the business incentive programs upon reviewing the policy and after EDA/Council approval.

> **Deliverable:**   Annually - Determine the number of potential forgivable loans
> Ongoing – Continue to update the City's *Invest in Forest Lake* website with incentive program materials

Program Costs: Staff Time
$5,000/Abatement

Goal 3 - Support marketing efforts for the sale and development of Headwater 123

A. **Action Step:** Define and build consensus on what success looks like and educate all team members on the benefits of the defined desired outcomes.

> **Deliverable:** Q1-2, 2025 - Consensus building workshops will be held by the EDA and City Council.

> **Program Costs:** Staff Time

B. **Action Step:** The EDA will conduct an RFP for developers/partners to purchase and develop the Headwaters 123-acre property.

> **Deliverable:** Q3-Q4 2025. An RFP will be developed and sent out to the development community, brokers and interested parties to partner with the city on the future development of the Headwaters 123 acre site.

> **Program Cost:** Staff Time

C. **Action Step:** Continue to support the efforts of the MN Technology Corridor by actively marketing the Headwaters 123 acres as a premier property for technology-based businesses within the corridor.

> **Deliverable:** Ongoing – Continue to update City's *Invest in Forest Lake* website with current materials for the Headwaters 123 parcel and business park listings

> **Program Costs:** Staff Time

D. **Action Step:** Partner with Washington County CDA and attend Real Estate and Development Trade Shows and the annual MNCAR event to promote and market the Headwaters 123 site.

> **Deliverable:** Annually – Attend Annual MNCAR Expo
> Ongoing – Attend MN Real Estate Journal Development Summits.
> Ongoing - Circulate marketing brochures, banners and web-based promotional materials in conjunction with the listing broker.

> **Program Costs:** $500 for tradeshow booth displays and marketing collateral
> Staff Time
> Commissioner Time

Appendix A

Definitions

What is Economic Development? No single definition incorporates all of the different strands of economic development. Typically, economic development can be described in terms of objectives. These are most commonly described as the creation of jobs and wealth, and the improvement of the quality of life. Economic development can also be described as a process that influences growth and restructuring of an economy to enhance the economic well-being of a community.

The main goal of economic development is to improve the economic well-being of a community through efforts that entail quality job creation, job retention, tax base enhancements and quality of life. It is therefore worthwhile to define economic base, a good job, and quality of life as it will relate to the recommendations of this document. As there is no single definition for economic development, there is no single strategy, policy or program for achieving successful economic development in Forest Lake. Thus, the plan laid out in this document is developed from a comprehensive and broad-based perspective.

What is an Economic Base? The basic component of an economic base is the production of goods and/or services that are exported, bringing outside wealth into the area. The economic base theory argues that economic development occurs when there is an expansion of the economic base, producing direct, indirect and induced benefits.

Economic development organizations (including the Forest Lake EDA) strive to expand the economic base, producing direct economic benefits. As the export base grows, bringing more wealth into a community, a portion of these receipts is spent on local consumption creating a multiplying effect. The rounds of spending create indirect and induced economic benefits, thereby creating an expansion of jobs, income, value-added – in short, economic development.

What is a Good Job?

A good job is one that is stable and safe, with sufficient work hours, a predictable schedule and has wages and benefits that can support households, families and communities.

Appendix B

Demographic Characteristics

Insert data from the CDA's economic development website:

https://www.eastmetromsp.org/communities/forest-lake/p/v/data/item/782/forest-lake#population

Community Development

Date: February 12, 2024

To: President Bain and EDA Members

From: Abbi Wittman, Community Development Director

Re: 2023 Work Plan Update

In the fall of 2023 City of Forest Lake staff was asked by its local Lions Club to host a meeting with the local Lions Club and City, County, and State staff. The intent of the meeting was to discuss local transportation issues and opportunities as the local Lions Club had recently determined senior transportation issues were a priority. At the end of the meeting it was determined each agency would explore existing and future opportunities.

In January a follow up meeting occurred. Enclosed are notes, provided to the EDA, as an FYI. Staff will continue to work with the public and non-profit partners and service providers to explore transportation opportunities in Forest Lake.

Forest Lake Area Transportation Meeting (Follow Up) Discussion – Virtual Meeting 1/25/24

Introductions

<u>City of Forest Lake</u>
Mara Bain, Mayor
Kristina Handt, Interim City Administrator
Abbi Wittman, Community Development Director
Dawn Bugge, Administrative Assistant (taking notes)

<u>Forest Lake Lions Club</u>
Gary Lee, President
Donna Mathais, Member and Officer
Paul Girard, Member

<u>Community Thread</u>
Rachel Presslein, Program Director of Thrive

<u>Met Council</u>
Gail Cederberg, District 11
Emma Dvorak, District 12
Charles Carlson, Executive Director, Metro Transportation Services

<u>Metro Transit</u>
Adam Harrington, Director of Service Development

<u>Washington County</u>
Fran Miron, Commissioner
Lyssa Leitner, Public works Planning Director

<u>City of Hugo</u>
Rachel Juba, Community Development Director

<u>City of Columbus</u>
Jack Davis, Interim City Administrator

<u>City of Wyoming</u>
Grant MacFarlane, Assistant City Administrator

<u>Newtrax</u>
Scott Olson, Community Transportation Coordinator

A brief introduction was given highlighting that the meeting was a follow up meeting to one held at Forest Lake City Center in October, 2023, at the request of the local Lions Club. The Lions Club has

concern over the lack of free, on-demand transit options in the Forest Lake area. The intent of the October meeting was to identify opportunities to expand existing or create new services to fill the gaps. The intent of this meeting was for each agency and/or service provider to provide updates as needed, to discuss potential next steps, and for Forest Lake to advise it cannot continue to be the facilitator of a sub-regional transportation system but will continue to help connect individuals and agencies as necessary.

Met Council/Met Transit

Federal Funding

- Sec. 5310 Enhanced Mobility for Seniors and Persons with Disabilities program is a federal program that distributes funding by formula to regions and states
- This funding is federal funding apportioned to regions and, which is administered cooperatively by the Metropolitan Council and MnDOT's office of transit
- In FY23, the region received $3.32 million of this funding. MnDOT is the designated recipient for these funds. Additional amounts are allocated to other regions and to the state for non-urbanized areas.
    - o Uses for the funding are reflected in the Transportation Improvement Program, including Washington Co. Mobility Management.
    - o These funds advance the Go Washington program led by Washington County https://gowashingtonmn.com/
    - o MnDOT budgets $576,500 for this program in 2024, including $461,200 of federal funding.
    - o This program identifies gaps within the county, coordinates resources already available, serves as the convener of parties that provide transportation and organizations that serve customers needing transit services, assists in the development of services such as bus loops, and explores new transportation options.
    - o Mobility management programs help ensure residents and civic groups are aware of existing public transit options managed by the Metropolitan Council, such as Transit Link.

Transit Link Program

- As discussed in the previous meeting, Transit Link is a general public dial-a-ride service available across the region
- One of the previous meeting's follow-up items was to provide informational brochures to the city on this program, and this was completed in November.
- The Council is in discussion with counties in the region regarding options for transit improvements within Transit Link. Both the Council and each metro area county received new funding for transit purposes in the 2023 legislative session.
- The Council may pursue partnership opportunities to increase local transit, following identification of local needs in coordination with cities and counties.
- We're in different stages of engagement with each county- in some cases we're waiting on county input/interest to pursue specific projects, in other cases it's earlier and more conceptual.

Gail Cederberg pointed out that transportation improvements need to be identified in both the short-term and the long-term. Cederberg pointed out that Transit Link can be expensive for those with cost issues. She pointed out that need for transit services in northern Washington County. The long-term vision would include more consolidated transit, such as incorporating a small transit hub in the northern area.

Washington County

Washington County will receive approximately $1m from the new tax that can be used for transportation. Conversations have focused on how to serve the County with diverse needs given the County is not a service provide and will never be a transit provider for the region. Getting additional funds is a blessing and a curse; how do you support services through the County without diluting the funding too much. The County Board has had preliminary discussions on how the new tax revenue will be used and discussions about communities in and out of the taxing district will be considered. Transportation funding conversations will continue in partnership with *Go Washington County.*

Community Thread

Community Thread has received the funding needed to expand its Thrive program to Washington County communities north of HWY 97. They need 15-20 volunteers for the program to begin.

For a monthly income-based fee, members would receive a limited number of monthly rides with a three-day notice. Rides may be out of Washington County. Additional programming is available to members.

Potential drivers need to have personal coverage on their vehicle, sign up online, and a background check would be conducted. Each volunteer will need to determine if they would like to consult their insurance company though they are not obligated to. Thrive does have umbrella insurance. Lobbying efforts are underway for state legislation to prohibit rate raising for volunteer drivers.

NewTrax

Scott Olson noted NewTrax has the capacity to support more until something more long-term comes into play. Non-profits are a little more nimble to fill in service gaps until long-term decisions are in play. Annual cost of about $19,000 to expand an extra day and incremental expansion is possible – but they come with expenses.

Wrap-Up

It was noted in the meeting by Gary Lee of the Lions Club that free or low cost services are needed for seniors/disabled/non-drivers in Forest Lake. He questioned if a pilot program could be implemented in this area. He indicated a seven-day, on-demand service would cost roughly $400k a year. He additionally outlined opportunities that could exist including expanding existing MetTransit services (possibly like Scott County) and increase NewTrax days and routes. He lastly noted the influx of transportation-related funding is the right time to have these discussions and, while short-term options have been identified, a long-term solution is needed.

Post-Meeting Follow Up

After the meeting, Charles Carlson provided the following follow-up:

- Last year of over 600 trips requested by Forest Lake residents, 19 trips were denied due to capacity (i.e. unable to fit within a route at the time requested). Most of these trip denials were concentrated among two active individual users of the service:
    - One user had 6 trips denied out of 70 requests, resulting in > 90% availability.
    - A second user requested trips to Maplewood Mall (30 total), of which 6 were denied. This is a very long trip (18+ miles) that can be difficult to accommodate in any demand response service area. It's also unlikely this trip would be accommodated under typical on-demand service designs, which normally have smaller zones unlikely to accommodate this travel distance.
- It is common procedure to place requests on standby, though these trips can almost always be completed by our provider as daily schedules are developed. This process allows the service provider to maximize the use of drivers and vehicles to serve as many people as possible. Maximizing efficiency is important given the average cost per passenger of just under $68 in 2022. This "standby" process can cause riders to find other options and cancel their ride in advance of the trip. In the case of the riders above, they canceled or "no-showed" about half the requested rides.
- The fare for dial-a-ride services is set by the Council's adopted fare policy. A higher passenger fare corresponds to the higher per-passenger cost to provide dial-a-ride service. We certainly understand that some residents will struggle to pay a fare of $3.50/$4.50 per trip. There are programs that supplement or cover the cost of transit that should be explored to address this issue. These individuals would also be good candidates for volunteer program support.