

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 04/18/16
Item No.: 15.c

Department Approval



City Manager Approval



Item Description: Discuss Roseville Economic Development Strategy – Phase 1

BACKGROUND

On April 11 the City Council authorized entering into a contract with Economic Development Consultant, Janna King. As part of Ms. King's proposal, she will lead the City Council in a Phase 1 discussion to gain clarity as to the development needs of the community. The intake part of this discussion will serve to provide a framework for how the City might explore aggressive economic development, and what resources might be necessary to accomplish a robust economic development agenda through 2017. Ms. King has prepared an agenda outline to aide discussion and is included as, 'Attachment A.'

Ms. King has received the matrix of existing economic development programs and initiatives outlined and presented by Community Department staff (Attachment B) on February 8. She will build upon the existing matrix to highlight economic development initiatives that the City could explore, and advise the City Council on programs that could be expanded, eliminated, or better communicated.

The City Council may want to consider scheduling a Special Meeting in May to meet as the Economic Development Authority (EDA) to dedicate time for economic development and housing discussions.

The City Council, or Ms. King, may find that more time is necessary to complete the desired strategy. The timeline that is currently outlined is as follows:

April 18	Introduction and Discussion (First-Touch) with Ms. Janna King
May 23	Receive Draft ED Strategy (Second-Touch)
June 13	Approve ED Strategy and Determine Resources/Funding/Staffing Needs to Achieve Objectives

POLICY OBJECTIVE

The Roseville City Council created an EDA at the beginning of 2016. The discussion will serve to align city efforts with the objectives of the newly created EDA.

27 **BUDGET IMPLICATIONS**

28 No budget implications at this time.

29 **STAFF RECOMMENDATION**

30 Discuss economic development strategies to help navigate EDA/Community Development staff
31 through 2017.

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33 **REQUESTED COUNCIL ACTION**

34 Discuss economic development strategies to help navigate EDA/Community Development staff
35 through 2017.

Prepared by: Kari Collins, Interim Community Development Director
Attachments: A: Agenda for Discussion
B: Matrix of ED Programs and Initiatives



Discussion Guide

Roseville Economic Development Strategies

Council Work Session – April 18, 2016

1. What do you think are the three most important economic development issues or opportunities for Roseville over the next 18 months?
2. Are there any economic development programs from other communities that you would like to have considered as possible models for Roseville?
3. In late May, an evolution of the matrix on the next page will provide the Council/EDA with a range of options for enhanced economic development activity in the community.
 - a. Do you have any suggestions for changes to the categories identified?
 - b. Let's discuss each of the elements including your thoughts about Roseville's current status and desirable future direction.

Phase 1 scope: Provide the EDA with options and information in May 2016 to assist them in setting priorities and creating a strategy for EDA activities in 2016-2017. The strategy will provide guidance to policymakers for FY17 budget development and will identify activities for Phase 2 of this contract.

To inform strategy development, the following information will be provided for consideration by policymakers:

1. A preliminary assessment of Roseville's economic development issues and opportunities;
2. Successful economic development programs and examples from other communities that may be appropriate for Roseville, including costs and benefits;
3. Resources available through other regional partners including Ramsey County, GREATER MSP, chambers, workforce development partners, Enterprise Minnesota and others; and
4. Information on existing Roseville activities in key areas of economic development practice (e.g. business retention/expansion, business attraction, marketing and promotion, financing, redevelopment) supplemented with a range of options for enhanced economic development activity in the community.



Strategy	Current	A step up	High-performing	Likely Partners
Business Retention				
Relationship building – group activities, communications				
Business visits				
Business Recruitment				
Prompt, professional response capacity				
Pro-active targeted marketing				
Business-friendly processes and reputation				
Redevelopment Areas				
SE Roseville				
Twin Lakes				
Hotel/motel				
Infill				
Other				
Redevelopment strategies				
Cultivate developer relationships				
Planning/environmental assessment				
Infrastructure				
Secure grants/support developer seeking \$				
Site assembly				
Issue RFPs for redevelopment				
Competitive financing tools and policies				
Fiscal implications of strategies				

Housing and Economic Development Services and Partnerships				
Program	Purpose	Eligibility/Target Audience	Budget/Resources/Activity	Outcomes
Current Programs Admin by the Housing and Economic Development Staff				
Green Award Program	Promote and support Green building/remodeling techniques for residential property owners	Roseville homeowners	Budget: \$850 for 3 awards per year. Activity: Review applications, develops homeowner’s project webpage, and maintain application materials.	More Roseville residential property owners incorporate Green techniques when building or remodeling their property.
Green Remodeling Plan Book	Created in 2011 in partnership with Minnesota Family Housing Fund to provide a one-stop shop for green remodeling resources	Roseville Community	Budget: \$2500 (research); \$5000 (design) Activity: Update in progress is transferring website contents to a book-length PDF. Staff oversees contracted intern who specializes in sustainability and design professional. Ongoing Budget Need: Update info every 3 years	Award-winning resource is used throughout Minnesota and the US as a resource for green remodeling.
House Replacement Program	Refresh housing stock by replacing homes that have substandard construction with new construction	Homes and/or property must meet code deficiency or poor quality construction from building code review.	Existing Balance: \$606,000* Activity: Send letters and work with building code staff to identify qualifying homes. Manage land transfer, review/select new builder and ensure projects is completed on time. <i>*RHRA set aside funds for 3 yrs to acquire property</i>	Increase and stabilize housing stock and property values in Roseville. Most recent home completed was in 2015 and is located at 1840 Hamline.
Roseville Business, Retention and Expansion				
- City Newsletter (bimonthly)	Educate residents and businesses about h business are in Roseville; provide resources to businesses	Roseville businesses and residents	Budget: \$6000 (printing/mailing) Activity: Work w/Communication staff on articles	Businesses have contacted City staff seeking financial assistance; Increased participating in educational outreach events.
- Business Council Meetings (monthly)	Provide educational and networking opportunities for Roseville businesses, City staff, and residents	Roseville residents, businesses, and members of the two area chambers (SPACC & TCNCC)	Budget: Staff time Activity: Collaborate with both area chambers to develop roster of speakers; promote on City website and in the newsletter	Relationships established between businesses and City staff.
- Small Business Series Program (quarterly)	Provide quarterly educational and networking opportunities to Roseville businesses	Open to all businesses in Metro area but held at the Roseville Radisson	Budget: \$3,200 (40 businesses attend 4x/year) \$2,800 (mailing/marketing) Activity: promote events to businesses	Staff have met with some businesses people who have attended the event to discuss their needs.
- Business Exchange	Strengthen connection between local businesses and City staff as identified in the BR&E survey	Open to local businesses and partner sponsors members	Budget: Staff time Activity: Seek sponsorship from the RVA and 2 local chambers; promote and set up event	Stronger relationships between City staff and Roseville business people.
- BRE Database and Visitation Program	Establish a database of all businesses in Roseville; Establish a business visitation program and track contacts/information gained	Roseville businesses	Budget: \$10,400* + Staff time Activity: Conducts business visits; oversee intern who is establishing a database and gathering information. <i>*Includes software, intern wages, and miscellaneous expenses</i>	Develop a sustainable database to hold accurate information about Roseville businesses; Ensure stable relationships with business owners when changes occur with staff and elected officials.
- School Districts internship opportunities	Connect school districts with our businesses	Roseville businesses and area high school students and advisors	Budget: Staff time Activity: Meet with school districts annually to discuss education opportunities and internships	Connected local businesses to high school for internships.
Seasonal Workshop Series for Residents	Provide resources to residents for sustainability, home improvement, and personal finances	The workshops are held at Ramsey County Library in the Spring and Fall and open to anyone	Budget: Staff time Activity: Coordinate topics, experts, and speakers with Library Staff; promote workshops and provide logistical support	In 2015 we held 6 workshops and developed partnerships with the Library, St. Paul Famers Market, and MN Renewable Energy Society.

Housing and Economic Development Services and Partnerships				
Program	Purpose	Eligibility/Target Audience	Budget/Resources/Activity	Outcomes
Construction Consultation Services	Provide advice to Roseville Residents about remodeling/updating their property	Roseville residents	Budget: \$12,000* + City Staff time Activity: Refer homeowners with questions construction/remodeling questions <i>*Paid to HRC consultant</i>	Roseville residents served in 2015: 71 – Phone Consultations 68 - Site Visits 1 - Discuss Scope of Work
ECHO Project	Provide rental rights and responsibilities educational videos in 5 languages and ELL program.	Minnesota residents	Budget: \$10,000 + City Staff time Activity: Establish partnerships to both promote the work and to get financing; provide guidance and feedback throughout the project development; assist with promotion/rollout of final product	The HRA’s \$10,000 contribution led partner organizations to contribute \$81,500. Project established partnerships between municipalities, nonprofit agencies, and other governmental organizations. Critical information was made available to underserved populations.
Energy Efficiency Program	Encourage Roseville residents to learn about and incorporate energy efficient products into their homes	Roseville residents	Budget: \$12,000 (\$60 for 200 audits) Activity: Work with NEC to promote the program and city staff processes monthly reimbursements	Of the 182 energy audits performed in 2015, the properties that had one were followed by these energy-related permits: 26 New roofs 11 New furnaces 7 New water heaters 7 Window installations 3 New front doors 3 Savers switches 1 Rooftop solar installation
HRA Property Abatement	Ensure Code Enforcement division is able to execute abatement orders approved by Council	Properties not in compliance Code requirements that have not initiated corrective action	Existing Balance: \$120,983* + Staff time Activity: Staff monitors funds to assure resources are maintained at appropriate limits; CE staff process abatement actions <i>*Current revolving account balance</i>	During 2015, Code Enforcement staff executed 19 property abatements, which maintains the public health, safety, and general welfare of Roseville residents and protects property values.
Multifamily Housing Loan Program	Assist rental property owners in maintaining their properties and to be used for high-density housing site assemblage.	Rental properties that have 4 or more units.	Budget: \$100,000 for 2016 Existing Balance: \$1,564,000 Notes Receivable: \$55,995 (Sienna Green) Activity: Provide information to owners of multifamily housing about the program	Acquired Dale Street Redevelopment properties; provided funds to remedy code violations and assisted Sienna Green I.
Neighborhood Enhancement Program/Business Enhancement Program (NEP/BEP)	Provide residents and business owners information about City Code requirements and seek compliance with Codes through annual exterior property maintenance inspections	Roseville residential and business properties	Budget: \$53,975 + Staff Time Activity: Prepare and mail notifications to residents and business owners; conduct inspections and work with owners to gain Code compliance when necessary	In the first year of the NEP (2008), CE staff recorded a 7.6% violation rate, dropping to 3.7% by 2010; in 2015 the rate was 8%. The increase may be due to the postponement of NEP in 2013 for the business enhancement program and again in 2014 for the implementation of the Rental License program. In 2013, the first year of the business program, CE staff recorded a 66% violation rate; in 2015 the rate was 32%.”
Roseville Home Improvement Loan Program	Assist homeowners with improvements to maintain the housing stock. Maximum loan amount is \$40,000 at 3% interest rate. Must do energy audit prior to doing anything with funds	Property owners whose homes have a market value of \$216,500 or less (based on 2016 Estimated Market Value)	Existing Balance: \$649,000 Activity: Establish necessary contract with HRC who manages the loan process; promote the program; monitor the account balance <i>(Revolving loan fund balance) – Origination of loans by NEC</i>	Prior to 2015, there were income restrictions, which the HRA removed and replaced with median-value home criteria. In 2015, 7 applications were submitted, 3 closed and 4 were withdrawn.

Housing and Economic Development Services and Partnerships				
Program	Purpose	Eligibility/Target Audience	Budget/Resources/Activity	Outcomes
Southeast Roseville Redevelopment PPP Plan	Study redevelopment opportunities/programs for SE Roseville	Southeast Roseville property owners	Budget: \$10,000 Activity: Establish partnerships and work with residents, property owners, community groups, social service agencies, and governmental orgs to learn what’s needed and what’s available.	Continue work with Karen Organization of Minnesota (KOM), City of St. Paul, Maplewood, and other partners to complete the initiatives in process.
- County Funds for Infrastructure improvements	Enrich area infrastructure to strengthen community	Southeast Roseville, which meets the low-to-moderate income requirement based on census tract data	Budget: Grant Funds + Staff time Activity: Work with County to identify eligible resources	Gained \$280,000 commitment from Ramsey County for sidewalk improvements on Larpenteur; pending application to acquire 1716 Marion St. to serve as neighborhood park
- <i>New market tax credits</i>	Investors put equity into developments for tax credit.	Southeast Roseville commercial only since it meets the requirement of low to moderate income census tract.	Budget: Staff time Activity: Seek resources for redevelopment opportunities of SE Roseville	Leverages investment and redevelopment options for SE Roseville.
- <i>Interagency Engagement</i>	Provide support to Roseville’s newest immigrant community	Residents in southeast Roseville	Budget: Staff time Activity: Work with other agencies to identify and make available resources to address identified needs	A Community Garden that will serve many Roseville residents will open in Spring 2016; Established partnerships with several organizations (International Institute of MN, Galilee Church, neighborhood associations); a number of residents accessed legal services to resolve rental issues
Notes receivable for previous loans				
- <i>CDBG</i>	Provides gap loans to buyers of affordable homes and affordable rental housing developments; also supports new construction or remodeling	Residents whose income is 80% or less of area median income (AMI)	Existing Balance: \$334,000 Notes Receivable: \$471,500 Activity: City Staff manages the process, promotes the program, monitors the account balance.	Most recent activity was the Sienna Green project in 2010; CDBG funds were also used for Applewood Point single family homes and the Senior Housing Re-gentrification Program (SHRP)
- <i>Previous Family Home Ownership Loans</i>	Provide loan programs to assist with remodeling existing homes	Had requirements of at least 1 child under the age of 16. 4% interest rate. Loan maximum \$35,000. Income limit 120% or less AMI.	Receivable notes that transfer balance 2 times a year to the Roseville Home Improvement	Loan was changed to the Roseville Home Improvement Loan Program with no child requirement.
- <i>Previous Revolving Loans</i>	Loan programs that used Levy funds to assist with remodeling existing homes.	4% interest rate. Loan maximum \$20,000. No income limits.	Receivable notes that transfer balance 2 times a year to the Roseville Home Improvement	Loan was changed to the Roseville Home Improvement Loan Program.
Staff Services, overhead and contract services	Manage, oversee and/or support all programming and projects of the City; be liaison to neighboring municipalities and organizations	Roseville residents, property owners, business people, and developers.	Budget: \$190,680 (2016) Activity: “Staff time” references in table	
Community Engagement/Grant writing	Promote Roseville projects and initiatives to broader area to enhance Roseville’s profile and build partnerships	Roseville Community	Budget: Staff time Activity: Provide presentations about benefits of Roseville, economic development, and assist with identified financial needs for projects	Presented to Realtor Groups, Economic Development Agencies, and secured financial funding or participation from several agencies
SPACC/TCNCC/RVA	Cooperative working to leverage outreach and	Roseville Business Community	Budget: Staff Time Activity: Coordinating speakers/topics for monthly Business Council meetings	Roseville Business Resource to engage with these organizations.
Loans and Partnerships offered by others				
Ramsey County Home Loan Program	To make basic repairs. Up to \$15,000 deferred or forgiven 0% interest loans for 10 years.	Income limits up to 80% AMI.	Ramsey County CDBG funds. Usually funds run out by midyear and people are on waiting list.	Staff reviews programs and refers residents. 2 loans to RV homes in 2015.

Housing and Economic Development Services and Partnerships				
Program	Purpose	Eligibility/Target Audience	Budget/Resources/Activity	Outcomes
Ramsey County Down Payment Assistance for First Time Home Buyers	Down payment, closing costs, and some home improvement for first time home buyers. Up to \$10,000 at 0% interest rate.	Income limits up to 80% AMI. Maximum value of home \$200,000	Ramsey County CDBG funds.	Staff reviews programs and refers homebuyers, realtors, and lenders. 0 in 2015.
Ramsey County Energy Loan Program	Improve health and safety conditions. Up to \$6,500 at 0% interest and forgiven over 10 years for energy improvements.	Income limits up to 80% AMI.	Ramsey County CDBG funds.	Staff reviews programs and refers residents. 13 loans to RV homes in 2015
Ramsey County Business Loan Program	Financing assistance for business improvements	Loans are negotiated based upon business needs but must add lower wage jobs	Ramsey County Loan Program that leverage close to \$700,000	Staff worked with 3 businesses to receive County loan funds to expand business needs in RV.
MHFA – Fix Up Program	Loans for sustaining and fixing up homes	\$15,000 - \$50,000 loans at 4% - 6.99% for people 120% AMI	State of Minnesota Bonds Loan Funds	Staff refers programs to NEC for one-stop shop.
Economic Gardening	Technical services offered to Ramsey County Businesses	\$10,000 of County Resources to assist 2 nd stage businesses grow.	Ramsey County Funds	Staff refers Roseville business that have between 10-99 employees for free technical services.
SCORE/SBA/JJHill	Technical services for startup and small businesses	Local businesses that request help.	Affordable technical assistance for startup and small businesses	Staff refers businesses that request help.
Property Assessed Clean Energy (PACE)	Financing assessment for energy improvements to properties	Local businesses and institutions	Assessment to property over 20 years to assist with installation of energy improvements	St. Christopher’s Church
MN Dept. of Employment and Economic Development				
DEED: Managing a Business, Financing a Business (DEED Business Financing Programs, Tax Credits, Workforce, and etc.)	To assist with business development, environmental remediation and expansion.	Requires jobs added and high paying.	State of MN funds awarded \$477,000.	Staff works with businesses to identify gap funds. Application for JCF for new development of Calyxt headquarters. Engage Workforce resources for local businesses.
Greater MSP	Work with 16 county non-profit organization for BR&E	Contract for sales force data base for keeping reference of businesses visited by DEED/Workforce.	Budget of \$400 a year.	Staff is able to access data base and to track some visits done by DEED and Workforce as well work staff of Greater MSP for visits to RV businesses.
Met Council				
- Section 8 vouchers (Met Council)	Subsidize program for income qualified renters.	Rental assistance for 30% to 50% of AMI	Met Council	Staff refers renters to program and properties that have vouchers.
- Affordable Housing Survey (Met Council)	To determine eligibility or affordable housing initiatives	Voluntarily participation to be eligible to receive grants.	Staff works with Met Council to review survey.	Provide information to Met Council regarding housing production and projects. 2015 score = 100%
- Grants of LCDA, LIHA and TBRA Grants	Funds to assist with housing development, and environmental investigation.	Workforce housing required to be added or to be part of the development	Staff works with developers to bring applications forward to Council and to the Met Council	Twin Lakes Apartments received \$48,000 of TBRA which helped with infrastructure of parkway. Grant of LCDA/LIHA of \$1.4 Million
- Bus Rapid Transit (BRT)	Work to extend the BRT line further into Roseville	Roseville	Staff being proactive for extension	CD Staff taking lead to extend the line further into Roseville
Minnesota Housing Finance	Funds to assist with housing development	Workforce housing	Staff works with developers to bring applications forward to Council for approval.	Work with developers to bring applications to Council. In 2014, Twin Lakes Apartments received \$1.2 Million
Northeast Youth and Family Services home help	Assist with minor repairs, home and yard maintenance	Income qualified with suggested donations for services	Northeast Youth and Family Services	Assists with home owners that City staff refers

Housing and Economic Development Services and Partnerships				
Program	Purpose	Eligibility/Target Audience	Budget/Resources/Activity	Outcomes
Brush with Kindness	Assists painting, repairs and critical health and safety issues	Income qualified with suggested donations for services	Twin Cities Habitat for Humanity	Assists with home owners that City staff refers
Paint – A- Thon	Assists with exterior painting of home and garage.	Free assistance for income qualified seniors and disabled individuals.	Paintathon.gmcc.org	Assists with homeowners that City staff refers
Opportunity Programs				
Façade improvement program	Assist with building exterior improvements.	Roseville Businesses	Loan Program to assist businesses to finance exterior improvements	Market place sometimes won’t lend on exterior improvements as it does not generate increase in revenue.
Entrepreneur Program	Assist startup businesses	Roseville startup businesses	Services and loan program to assist startup businesses.	Would help new and early stage businesses access the resources they need to grow and prosper.
Live/Work Loan Program	Encourage movement to live in Roseville when you work in the Community	Employees of Roseville Businesses	Down payment or forgivable loan.	Encourage employees of Roseville Businesses to live where they work.
Gap financing for businesses	Gap financing when Businesses don’t meet Private, County or State Loan programs.	Potential or existing Roseville businesses	Gap Financing	Fill gap market needs for businesses to expand, retain, or move to Roseville.
Active marketing of community and sites	Engage broker community and site selectors	Potential development	Design/Printing of material	Proactively engage brokers.