

EDA Members:
Dan Roe, Mayor
Jason Etten
Lisa Laliberte
Tammy McGehee
Robert Willmus



**Economic Development
Authority
Meeting Agenda
Monday, February 12, 2018
City Council Chambers
6:00 p.m.**

Address:
2660 Civic Center Dr.
Roseville, MN 55113

Phone:
651-792-7000

Website:
www.growroseville.com

1. 6:00 P.M. Roll Call
Voting & Seating Order: Willmus, Laliberte, Etten, McGehee and Roe
2. 6:01 P.M. Approve Agenda
3. Public Comment
4. 6:02 P.M. Business Agenda
 - 4.A. Consider Acquisition Of 1125 Sandhurst Drive
Documents:
[4A_1125_SANDHURST_DRIVE.PDF](#)
 - 4.B. Review Economic Development Chapter Of Comprehensive Plan
Documents:
[4B_ECONOMIC_DEVELOPMENT_CHAPTER.PDF](#)
5. 6:30 P.M. Adjourn To City Council Meeting



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: 2/12/2018
Item No.: 4.a

Department Approval

Executive Director Approval

Item Description: Consider Acquisition of Tax-Forfeited Property at 1125 Sandhurst Drive West

BACKGROUND

On December 4, 2017 the Roseville Economic Development Authority (REDA) authorized staff to have Ramsey County withhold the tax forfeited property at 1125 Sandhurst Drive West from sale or lease for a maximum of six-months. Staff and several REDA members have had an opportunity to inspect the property for its current condition to verify what REDA program could be utilized.

If the REDA decides to acquire the property the REDA would be responsible for paying the maintenance costs incurred, closing costs and at the price of market value that Ramsey County has determined. If the REDA would like would like be able to acquire the home for 25% of the market value, the property would need to be used for affordable housing.

Ramsey County has determined the market value of the property is \$175,000 (Attachment A). The REDA needs to make a decision if they want to acquire the home at that price, or 25% of the market value for affordable housing [estimated to be \$43,750]. (Attachment B). The REDA can also decide to not acquire the property.

The following is an update of the REDA current programs and account balances as of 12/31/2017 (Attachment C).

	12/31/2017
	Funds
<u>Program</u>	<u>Available</u>
CDBG Program	\$ 345,638
SF Revolving Loan Program	533,879
Housing Replacement / SF Construction	416,180
Property Abatement	127,328
Multi-Family & Housing Program	1,656,129
General EDA Programs *	251,199
Total Available Funds	\$ 3,330,353
* A <u>minimum</u> of \$180,000 is needed at 12/31/17 and 6/30/18 for cash-flow purposes to meet operational needs in between tax levy collection periods.	

All of the remaining program funds are flexible enough to be used to acquire the property. If the REDA would like to acquire the home for affordable housing then REDA staff would recommend

20 the use of Community Development Block Grant (CDBG) funds. CDBG funds would have income
21 restrictions on the property that is 80% or less of Area Medium Income (AMI). For a family of
22 four in Ramsey County that limit would be approximately \$68,000.

23 **STAFF RECOMMENDATION**

24 Discuss the following options and provide direction to staff.

- 25 1. Acquire home at market value so that there is no income restrictions on the property.
- 26 2. Acquire home at 25% of the market value for affordable housing (\$43,750).
- 27 3. Do not acquire.

28 The REDA is under no obligation to make a decision now, however, Attachment D & E are
29 available in the event the REDA would like to take action toward an option now.

30 **REQUESTED COUNCIL ACTION**

31 Determine the following actions:

- 32 1. Acquire home at market value so that there are no income restrictions on the property
33 (Attachment D).
- 34 2. Acquire home at 25% of the market value for affordable housing at \$43,750 (Attachment E).
- 35 3. Do not acquire.

**Prepared by: Jeanne Kelsey, Housing and Economic Development Program Manager,
651-792-7086**

Attachments: A: Letter from Ramsey County determining Market Value
B: Letter from Ramsey County regarding Tax-Forfeited Property
C: Memo from Chris Miller regarding account balance of programs
D: Resolution to acquire at market value
E: Resolution to acquire below market value

January 17, 2018

City of Roseville
Attn: Jeanne Kelsey
Housing and Economic Development Program Manager
2660 Civic Center Drive
Roseville MN 55113

RE: Tax forfeited parcel: PIN: 10.29.23.44.0099; 1125 Sandhurst Drive West

Dear Jeanne Kelsey:

You have asked for several pieces of information regarding a tax forfeited property located at 1125 Sandhurst Drive West, Roseville: a market value of the property, a breakdown of the market value between land and building, and maintenance costs of the property to-date.

- The current market value of the property is \$175,000.
- The breakdown of the market value is:
 - land value is \$87,000
 - building value is \$88,000
- Maintenance cost to-date are \$720.64

One last item, I am required to notify you of the start date of your six-month hold which is December 6, 2017.

Please let me know if you have any questions.

Sincerely,



Kristine A. Kujala, Supervisor
Tax Forfeited Lands

October 23, 2017

City of Roseville
Attention: Pat Trudgeon, City Administrator
2660 Civic Center Drive
Roseville, MN 55113

Re: 2017 Tax Forfeiture Classification List

Dear Pat Trudgeon:

Enclosed is a listing of a property which forfeited on August 1, 2017 for failure of the owners to pay the property taxes. Pursuant to county board resolutions 98-047 and 2010-366 delegating classification authority to Property Tax, Records and Election Services, we have reviewed and classified the parcel on the list as either non-conservation or conservation lands. Minnesota Statutes, section 282.01, subd. 1, requires the county to notify each city or township of the classification or reclassification and sale of the tax-forfeited properties located within their boundaries for their approval or disapproval of the classification or reclassification and sale of the properties. The city or township is considered to have approved the classification or reclassification and sale if the Property Tax, Records and Election Services Department is not notified of the disapproval of the classification or reclassification and sale within 60 days of the date the request for approval is sent to you.

At this time you may request a parcel of tax-forfeited land be withheld from sale or lease to others for a maximum of six-months. Withhold requests must be in writing and submitted to this office. You are responsible for paying maintenance costs incurred during the withholding period and until the sale of the property is completed if you acquire the property. If a request to withhold a property is not received the property will become available for public sale.

If you wish to acquire any of the parcels for an authorized public use you must submit an application for a conditional "use deed" accompanied by a certified resolution of the governing body stating the public use for the property. The use must qualify as one of the eight defined uses listed in statute and outlined further below. The fee for a use deed is \$250, payable to the commissioner of revenue. Use deed forms can be obtained from our office upon request.

Please be advised that you have three years from the date of the use deed to put the land to its stated use. If you fail to do so or abandon the use, you have the option to purchase the property; otherwise it will revert back to the State. This also applies when only part of the parcel is being used for an authorized public use. Governmental subdivisions may retain title to the part that continues to be used as authorized; however, title to the part that is not being used must be purchased or re-conveyed.

In 2010, the Minnesota Legislature revised and expanded the options in which a governmental subdivision can acquire tax-forfeited properties. Some of the changes you should be aware of are the limits on the uses of a conditional use deed and new alternatives for acquiring tax-forfeited lands for less than full market value. The conveyance options are as follows:

- Purchase at market value
- Conditional "Use Deed" (free of charge) - Acceptable public uses are limited to:
 - Road or right-of-way for a road;
 - Park that is both available to, and accessible by, the public that contains amenities such as campgrounds, playgrounds, athletic fields, trails, or shelters;
 - Trails for walking, bicycling, snowmobiling, or other recreational purposes, along with a reasonable amount of surrounding land maintained in its natural state;
 - Transit facilities for buses, light rail transit, commuter rail or passenger rail, including transit ways, park-and-ride lots, transit stations, maintenance and garage facilities, and other facilities related to a public transit system;
 - Public beaches or boat launches;
 - Public parking;
 - Civic recreation or conference facilities; and
 - Public service facilities such as fire halls, police stations, lift stations, water towers, sanitation facilities, water treatment facilities, and administrative offices.
- Acquisition at no cost:
 - Outlots that developers fail to convey to local governments under development agreements.
 - Parcels that developers fail to convey to associations of common interest communities under a written agreement.
- Acquisition at a price that may be less than market value:
 - Non-Conservation land
 - Correct blight
 - Development of affordable housing
 - Conservation land
 - Creating or preserving wetlands
 - Storm water management
 - Preservation or restoration of land in its natural state
- Conveyance of a property in a targeted community

Correspondence regarding this notice may be addressed to:

**Ramsey County Property Tax, Records and Election Services
Property Tax Services
Attn: Tax Forfeited Lands
PO Box 64097
St. Paul, MN 55164-0097**

If you have any questions regarding this information please feel free to contact me at (651) 266-2081.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kristine A. Kujala". The signature is fluid and cursive, with the first name being the most prominent.

Kristine A. Kujala, Supervisor
Tax Forfeited Lands

Enclosures



2017 FORFEITURE LIST
CLASSIFICATION: NON-CONSERVATION LAND

Commissioner District 2

City of Roseville

Notice No. PIN

17-134 10-29-23-44-0099

Property Address
1125 Sandhurst Drive W

Property Type
Residential

Property Description
Single Family House

Lot Size
90' x 135'

Legal Description
Broadview Add., The West 11.7 feet of Lot 2 and all of Lot 3, Block 1



Memo

To: Pat Trudgeon, EDA Executive Director
Kari Collins, Community Development Director
Jeanne Kelsey, Housing & Economic Development Manager

From: Chris Miller, Finance Director

Date: January 25, 2018

Re: Summary of Available Funds for the Roseville EDA

Pat, Kari, and Jeanne,

The information below contains a brief overview of the funds available to the Roseville Economic Development Authority for the period ending 12/31/17. As you know, for legal and management purposes these monies are segregated into six separate funds that carry varying restrictions. They include:

- Community Development Block Grant (CDBG) Program (*Fund 721*)
- General Housing & Redevelopment Programs (*Fund 723*)
- Housing Replacement / Single Family Construction Program (*Fund 720*)
- Property Abatement Program (*Fund 722*)
- Multi-Family & Housing Program (*Fund 724*)
- General EDA Operating Program Fund (*Fund 725*)

The Community Development Block Grant (CDBG) Fund is governed by an agreement with Ramsey County in accordance with federally-established CDBG requirements.

The General Housing & Redevelopment, Housing Replacement, Property Abatement, and Multi-Family Programs were previously managed by the City's Housing & Redevelopment Authority (HRA). The Roseville EDA/HRA Attorney has opined that these monies can only be spent for activities permitted under the statutory HRA laws.

Finally, the General EDA Program Fund can only be used for any activities permitted under the statutory EDA laws. Similar to the City's General Fund, this fund serves as the EDA's *primary* operating fund and includes on-going staffing & legal representation, studies & analyses, marketing efforts, and other costs.

Because the only on-going funding source for General EDA Programs is the property tax levy, this fund needs to maintain a 50% cash reserve level to provide for operational needs in between tax levy collection periods.

The available funds as of 12/31/17 is shown in the chart below:

	12/31/2017
	Funds
<u>Program</u>	<u>Available</u>
CDBG Program	\$ 345,638
SF Revolving Loan Program	533,879
Housing Replacement / SF Construction	416,180
Property Abatement	127,328
Multi-Family & Housing Program	1,656,129
General EDA Programs *	251,199
Total Available Funds	\$ 3,330,353
* A <u>minimum</u> of \$180,000 is needed at 12/31/17 and 6/30/18 for cash-flow purposes to meet operational needs in between tax levy collection periods.	

In addition to these amounts, the EDA also has a number of outstanding loans and mortgages that will provide varying levels of income in future years. They are summarized in the table below.

	12/31/2017
	Loan/Mortgage
<u>Program</u>	<u>Value</u>
CDBG: 960 Lovell	\$ 13,614
CDBG: Sienna Green	372,700
CDBG: 1491 Applewood Court	59,000
CDBG: 1497 Applewood Court	59,000
General Housing Programs: (Funds held by CEE)	441,945
Housing Replacement / SF Construction: 1481 Applewood Ct. (a)	55,000
Housing Replacement / SF Construction: 1491 Applewood Ct. (a)	36,000
Housing Replacement / SF Construction: 1497 Applewood Ct. (a)	28,000
Multi-Family & Housing Program: Sienna Green	18,351
Total Loan/Mortgage Value	\$ 1,083,609
(a) The City has a 2nd mortgage position on these loans	

Finally, I will note that the City also holds approximately \$781,000 in the SE Roseville Redevelopment Fund (*Fund 428*). You will recall that the source of these funds was the City's former TIF District #12: Arona Site which was decertified in 2016.

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

* * * * *

Pursuant to due call and notice thereof, a meeting of the Roseville Economic Development Authority, County of Ramsey, Minnesota, was duly called and held at the City Hall on Monday, the 12th day of February, 2018, at 6:00 p.m.

The following members were present:

and the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION No. 16

A Resolution Authorizing the Purchase of Property Located at 1125 Sandhurst Drive West

WHEREAS, Ramsey County (the “Seller”) owns real estate located at 1125 Sandhurst Drive West in the City of Roseville (the “City”), legally described as Broadview Addition, the West 11.7 feet of Lot 2 and all of Lot 3, Block 1 (the “Property”); and

WHEREAS, the Roseville Economic Development Authority, a public body corporate and politic (the “EDA”) desires to purchase the Property from the Seller; and

WHEREAS, the EDA has followed applicable statutory provisions and finds that the purchase of the Property will fulfill the objectives, goals and mission of the EDA, and specifically that the EDA is acquiring the Property for Affordable Housing projects; and

WHEREAS, the EDA has caused to be prepared an offer to acquire the Property for 25% of its assessed market value plus maintenance costs and recording fees, and if the offer is accepted by the Seller, the EDA shall cause to be prepared a purchase agreement (the “Agreement”) providing the terms of the conveyance of the Property from the Seller to the EDA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Roseville Economic Development Authority as follows:

1. The recitals set forth in this Resolution are incorporated into and made a part of this Resolution.

2. The offer to purchase the Property is hereby approved, subject to acceptance of the EDA's offer by the Seller and subject to approval of the Agreement.

3. The President and Executive Director are hereby authorized and directed to execute all appropriate documents necessary to submit the offer to the Seller and effectuate the transaction contemplated by this Resolution.

4. The President and Executive Director, staff and consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution, including, without limitation, submitting required documentation to the Seller and negotiating the Agreement for approval by the Board.

The motion for the adoption of the foregoing resolution was duly seconded by Member - _____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON said resolution was declared duly passed and adopted.

Certificate

I, the undersigned, being duly appointed Executive Director of the Roseville Economic Development Authority, hereby certify that I have carefully compared the attached and foregoing resolution with the original thereof on file in my office and further certify that the same is a full, true, and complete copy of a resolution which was duly adopted by the Board of Commissioners of said Authority at a duly called and regularly held meeting thereof on February 12, 2018.

I further certify that Commissioner _____ introduced said resolution and moved its adoption, which motion was duly seconded by Commissioner _____, and that upon roll call vote being taken thereon, the following Commissioners voted in favor thereof:

and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this ____ day of February, 2018.

Executive Director
Roseville Economic Development
Authority

**EXTRACT OF MINUTES OF MEETING
OF THE
ROSEVILLE ECONOMIC DEVELOPMENT AUTHORITY**

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WHEREAS, the Roseville Economic Development Authority, a public body corporate and politic (the “EDA”) desires to purchase the Property from the Seller; and

WHEREAS, the EDA has followed applicable statutory provisions and finds that the purchase of the Property will fulfill the objectives, goals and mission of the EDA; and

WHEREAS, the EDA has caused to be prepared an offer to acquire the Property for its assessed market value of \$175,000 plus maintenance costs and recording fees, and if the offer is accepted by the Seller, the EDA shall cause to be prepared a purchase agreement (the “Agreement”) providing the terms of the conveyance of the Property from the Seller to the EDA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Roseville Economic Development Authority as follows:

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The motion for the adoption of the foregoing resolution was duly seconded by Member - _____, and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

WHEREUPON said resolution was declared duly passed and adopted.

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and the following voted against the same:

whereupon said resolution was declared duly passed and adopted.

Witness my hand as the Executive Director of the Authority this ____ day of February, 2018.

Executive Director
Roseville Economic Development
Authority



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

Date: February 12, 2018

Item No.: 4.b

Department Approval

Executive Director Approval

Item Description: Review Revised Draft Economic Development Chapter of the 2040 Comprehensive Plan

1 **BACKGROUND**

2 Based upon feedback that the Roseville Economic Development Authority provided at the January 16,
3 2018 EDA meeting, Comprehensive Plan Consultant Erin Perdu will present a highly revised draft
4 Economic Development Chapter. The draft of the Economic Development chapter is included with this
5 report as Attachment A. The revised draft primarily removes the introductory narrative and replaces it
6 with the economic development themes that emerged out of the EDA’s priority setting session in 2016.
7 The goal and policies, along with the priority/opportunity sites that were previously vetted, remain in the
8 draft.

9 **POLICY OBJECTIVE**

10 The Roseville Economic Development Authority is the advising body related to the Economic
11 Development section of the 2040 Comprehensive Plan.

12 **BUDGET IMPLICATIONS**

13 There are no budget implications.

14 **STAFF RECOMMENDATION**

15 Provide feedback and direction to staff regarding the draft of the Economic Development Chapter of the
16 2040 Comprehensive Plan.

17 **REQUESTED EDA BOARD ACTION**

18 Provide feedback and direction to staff regarding the draft of the Economic Development Chapter of the
19 2040 Comprehensive Plan.
20

21 Prepared by: Kari Collins, Community Development Director, 651-792-7071
Attachments: A: Draft Economic Development Chapter for the 2040 Comprehensive Plan

CHAPTER 6: ECONOMIC DEVELOPMENT

BACKGROUND

Our business community is critical to community health, both in terms of job opportunities and in quality of life. On November 30, 2015, Roseville enabled the creation of an Economic Development Authority (EDA) and transferred all of the Roseville Housing & Redevelopment Authority programs and account balances to the EDA. After an initial priority setting-session with the EDA, several proactive economic development themes emerged: Business Retention & Expansion, Business Recruitment, Workforce Development, and Partnership or Collaboration Opportunities. The City of Roseville has since taken an aggressive role in establishing an economic development presence that will help communicate what the City can offer to our businesses, and what resources or properties are available in the community.

Current efforts target the following themes:

Business Retention & Expansion

The City adopted a Business Visitation program on August 29, 2016. The program identifies two types of visits: a Retention visit and an Ambassador visit. The Retention visit is a “first touch” where City staff visit with business representatives, and conduct a survey to determine if the business has any immediate concerns or needs. The survey used in these visits is from the Grow Minnesota program offered through the Minnesota Chamber of Commerce. The information gathered from the Retention visit is entered into a database that is shared with the Minnesota Chamber of Commerce.

An Ambassador visit is done to welcome an existing Roseville business to the community, or to walk through a business that has recently invested in their business or expanded. Ambassador visits usually include the Mayor, City Manager, Community Development Director, and Economic Development Staff. These visits allow staff to provide support for businesses expansion needs, create awareness of available programs, and ensure businesses are aware of newsletters and details of regular events.

The Economic Gardening Program offered by Ramsey County is another Business Retention & Expansion effort. The City refers Roseville businesses to the program. Selected businesses are provided free research information that

growing companies might not be aware of or cannot afford. The research specialists assist in four key areas: strategic market research, geographic information systems, search engine optimization, and social media marketing.

Business Recruitment

The Economic Development staff often provides information to prospective businesses that are considering relocating to Roseville. To help support the goals of the EDA, the City and EDA adopted a Public Financing and Business Subsidy Policy on October 17, 2016, that identifies when and how the City will subsidize a project. This policy is a critical tool for retaining and attracting livable-wage jobs. Financial tools identified within the policy include tax increment financing (TIF), tax abatement, bonds, sewer access charge (SAC) credits, or other public financing options, assuming a project is aligned with EDA goals and objectives.

Workforce Development

The City supports the Roseville and Mounds View school districts by connecting businesses to resources within the schools that help recruit and train prospective workers. For example, the City has collaborated with Roseville Area High School's Career Pathways program to help businesses identify eligible students for internship opportunities, and to promote the Roseville Area Career and Resource Fair.

Ramsey County's Workforce Solutions program supports area businesses through workforce development services. Workforce Solutions helps businesses find staff, or will assist with training to increase the skill level of a business's current workforce.

Partnership or Collaboration Opportunities

The City of Roseville has collaborated with community organizations and economic development agencies to advance the goals of the EDA. Three Chambers currently serving Roseville are the Saint Paul Area Chamber of Commerce, the Twin Cities North Chamber of Commerce, and the Minnesota Chamber of Commerce. The Chambers, in addition to Greater MSP, the Urban Land Institute, the Roseville Visitors Association, and other business-forward groups have helped Roseville retain and expand businesses as well as identify resources for businesses seeking to locate in Roseville.

The City collaborates with the St. Paul Area Chamber of Commerce and the Twin Cities North Chamber of Commerce to provide monthly Roseville Business Council meetings that have presentations on a variety of regional topics. On a quarterly basis, the EDA pays for up to 40 Roseville businesses to attend the Small Business Series, which is done in partnership with the St. Paul Area Chamber of Commerce. These quarterly educational workshops promote best practices for managing and owning a business.

Economic Development Marketing

In 2016, the Roseville EDA identified economic development marketing as a way to create a stronger business presence, regionally and nationally. Staff worked with Golden Shovel Agency to help develop an identity, gather information, and begin marketing Roseville to better communicate the wide range of program offerings available to our businesses, as well as city amenities and available sites for redevelopment or business expansion. The City developed a marketing strategy that includes a new website presence, social media platforms, newsletters, and spotlighting businesses and available properties.

BUSINESS PROFILE

Roseville is known for its regional shopping destination, Rosedale Center, but the city's business mix is much more complex. There are more than 2,100 unique businesses in Roseville, employing approximately 36,000 people.



Rosedale Center is a key economic engine for the City, and one of its most important destinations for both residents and visitors. The 1.2 million-square-foot regional shopping mall attracts more than 14 million visitors a year. Despite the challenging environment for

retail, Rosedale is continuing to evolve. In addition to accommodating a 120,000 square-foot expansion for another anchor tenant scheduled to open in 2018, Rosedale Center is currently spending \$76 million on renovations throughout the mall.

Many people in Roseville's economy are in employed either Retail Trade, or Accommodations and Food Services, which together account for nearly 31% of the positions. The city also has a strong Healthcare and Social Assistance workforce (12.5%), and Professional, Scientific & Technical Services accounts for an additional 6.4% of the existing positions. The mix of businesses and jobs, as shown below, ranges from utilities and agribusiness to traditional manufacturing.

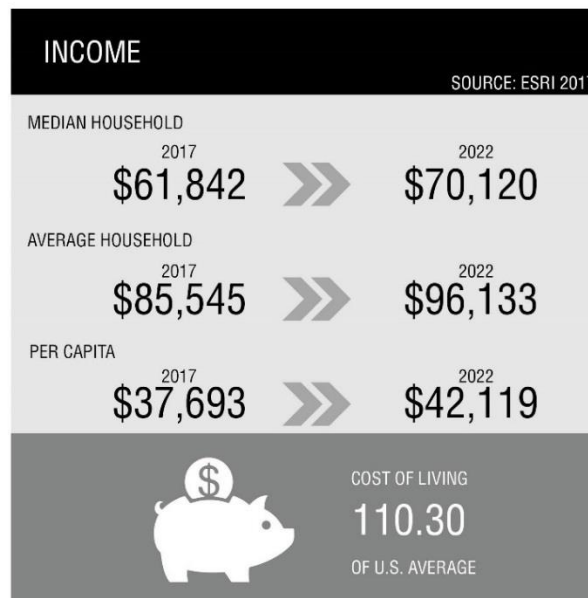


The average unemployment rate among Roseville residents is significantly lower than Minnesota's (3.2% vs. 4.3%), reflecting our strong economy. Communities of color in Roseville experience unemployment at a rate of 4.38%, however, compared to 2.35% unemployment among whites; this local disparity (2.03%) is smaller than the statewide gap of 3.94%.

Race	MN	Roseville
White	2.86%	2.35%
Black	8.85%	4.57%
American Indian/Alaska Native	8.68%	0.00%
Asian	3.96%	3.32%
Hawaiian Pacific Islander	3.58%	0.00%
Other	6.49%	9.94%
Two or More Races	7.19%	6.05%
TOTAL MINORITY	6.80%	4.38%

Source: 2016 ACS 5 yr estimates

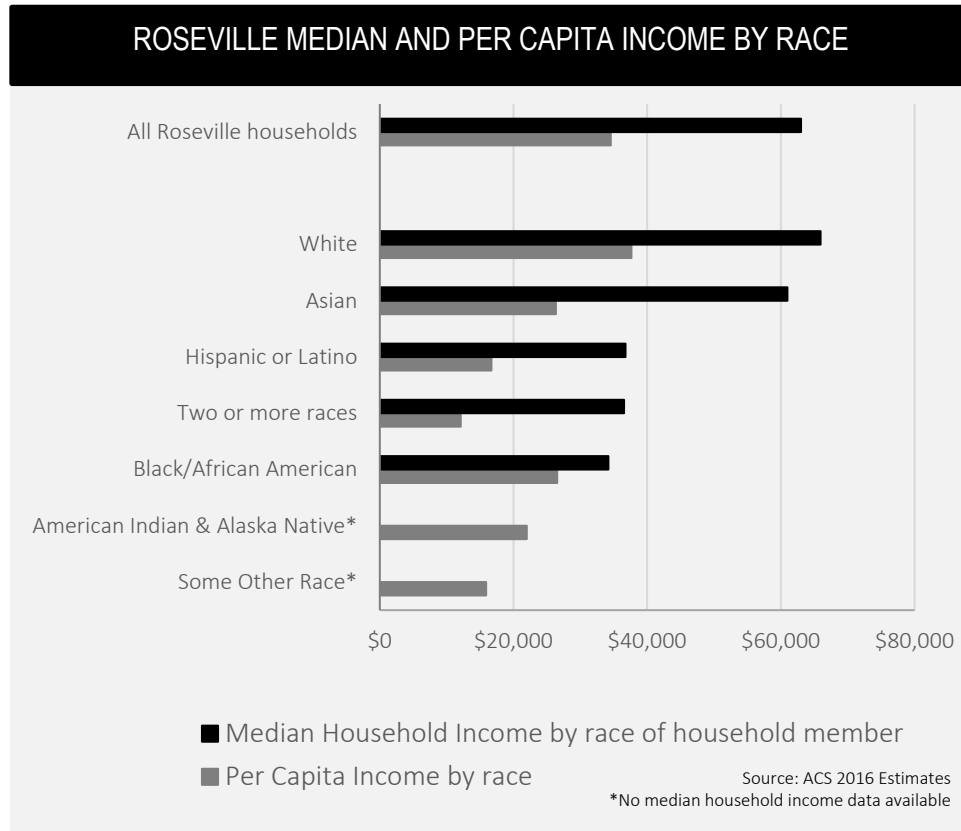
In addition to the low unemployment rate, the City also has an average household income of over \$85,000 which is expected to rise significantly by 2022. However, the City also has a cost of living that is about 10 percent higher than the national average. Therefore, the City will focus on attracting and retaining jobs with wages that allow employees to afford housing in the community.



While the overall income outlook for households in Roseville is positive, it is important to recognize disparities in household income within Roseville. Specifically, individual and household income disparities persist along racial lines. The chart below illustrates that in Roseville, overall median incomes are higher for white households than

households composed of any other racial category. The per capita income of Roseville's white population is 30 percent higher than the same measure for its black population, and more than twice the per capita income of its Hispanic population. The city of Roseville acknowledges the persistence of racialized income inequality, and strives to better understand the ways in which policy

decisions made at the local level can reduce racial income gaps and improve economic opportunities for all.



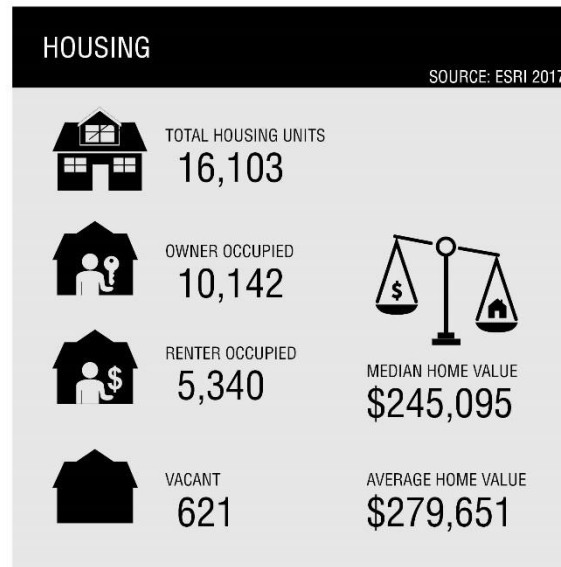
It is part of the City’s vision that workers are able to both live and work in Roseville. Attracting businesses from a diverse mix of industries will only be

Roseville 2040 Comprehensive Plan Chapter 6: Economic Development

achieved if Roseville prioritizes offering a wide range of housing. The City currently has a median home value of \$245,095.

Using traditional financing requirements (20% down payment and not spending more than 30% of income on housing), a household would need an annual

income of approximately \$70,000 to own a home in Roseville. A family with two wage earners would need to average about \$16.83 per hour to reach this income level, which fits in the general range of the per capita income for the community. Nevertheless, the City recognizes that it is important to provide housing opportunities for the entire spectrum of jobs and salary levels that are



currently available so that all workers have the opportunity to live in Roseville.

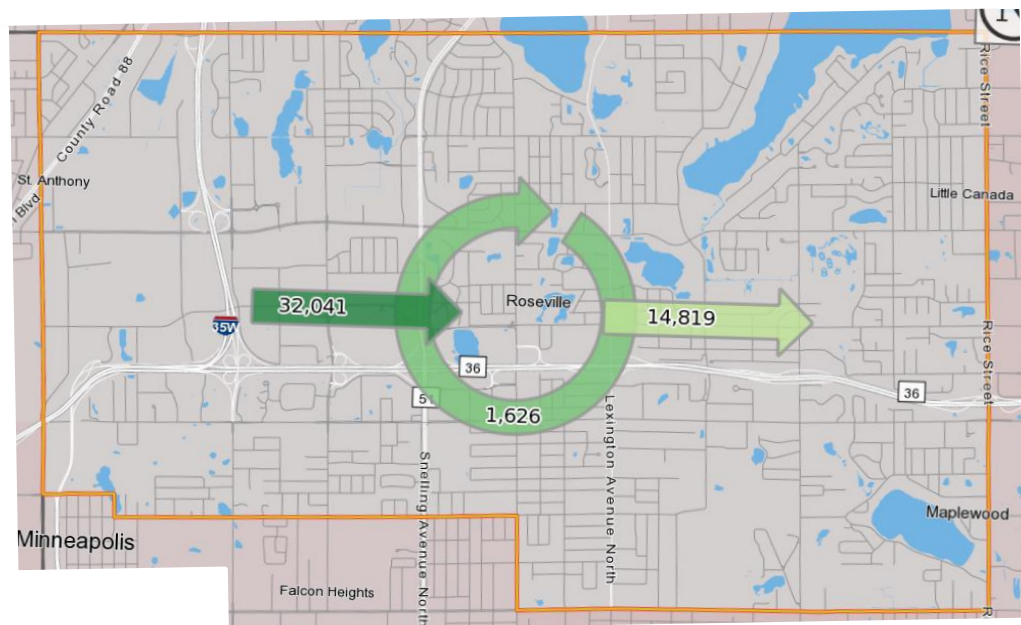
Roseville 2040 Comprehensive Plan Chapter 6: Economic Development

As noted previously, per capita incomes for people of color lag behind those of the white population in Roseville, creating higher barriers to homeownership.



Right now most of the city’s residents do not work in Roseville. They commute to jobs elsewhere, and most of the people who work in Roseville commute in from other cities. As shown in Figure 6-1, below, approximately twice as many people commute to Roseville for work as leave Roseville for jobs in other places.

Figure 6-1: Commuter Inflow-Outflow Primary Jobs for All Workers. Data Source: U.S. Census 2015.



The City’s strategic location nestled adjacent to Minneapolis and St. Paul means somewhat shorter commuting times to work (the average travel time to work is

22 minutes for Roseville residents, compared to the metro-wide average of 25 minutes) and a large number of residents who carpool or use transit.

WHAT WE HEARD

Kick-Off, Intercepts and Future Cities

At the Comprehensive Plan Kick-Off meeting, participants discussed several items related to economic development during the visioning session. Common themes that emerged included:

- Attract more locally-owned restaurants and businesses instead of chains, including craft breweries and a food co-op/grocery store
- Redevelop existing malls/retail areas, especially HarMar

Intercept boards were deployed early in the process, at several locations around the community, to allow for input outside of meetings. A common theme we heard from those boards was that there is a desire for a downtown-like retail environment, which is preferable to strip malls.

Another part of the initial visioning stage of community engagement was meeting with the Future Cities students at Roseville Area Middle School. Among their ideas related to economic development were:

- Create more spaces for small, locally-owned businesses
- Revitalize HarMar mall
- Have smaller commercial areas that are more spread out (and thus more user-friendly), rather than large and all clustered together
- Provide more opportunities for arts and culture

Focus Group

At a focus group meeting held in April, 2017, around the topic of economic development, participants¹ discussed why they do business in Roseville and what challenges they see in the coming decades. Many positive aspects of the City were discussed, including:

- Roseville's strategic location in the region

¹ A total of six participants (outside of staff, consultants and City officials) attended the focus group meeting), representing the St. Paul Chamber of Commerce, the Roseville Visitors Association, Ramsey County, and other businesses.

- History of long standing businesses that have made significant infrastructure and capital investments
- A friendly attitude towards businesses that is better than most cities

Among the challenges were:

- Some businesses (particularly industrial operations) need more space than can be found in Roseville
- East-west transit connections are missing
- Lack of a connected bike and pedestrian network to key destinations in the City
- Need for more housing that is affordable to workers of major employers in Roseville

The Focus Group then discussed things that should change to bring about successful economic development in the city. Highlights of that discussion included:

- Employees are often hired from afar, and when choosing a place to relocate they are looking for communities with “trendy” places and good walking and biking connections
- Developing and marketing pedestrian and bikeways that connect to key destinations in the city as well as trails in surrounding communities
- Think about future residents based on demographic trends
- Create more employment centers in the city as a balance for the amount of retail here
- Ensure that new development/redevelopment creates walkable/bikeable places

Online Survey

Finally, the online survey conducted as part of the planning process garnered 527 responses. Many of the responses emphasized improving social/community/retail amenities (e.g., schools, churches, organizations, stores, libraries, etc.).

When asked what the City’s top priorities should be for the next five years, bringing in more small “mom & pop” businesses ranked third.

One question asked what strategy is most important to managing growth while preserving quality of life; the top answer was “Revitalize areas with vacant or under-utilized land”.

Other relevant results are shown in the figures below:

Q11 Which type of buildings or businesses do we need more of in Roseville?

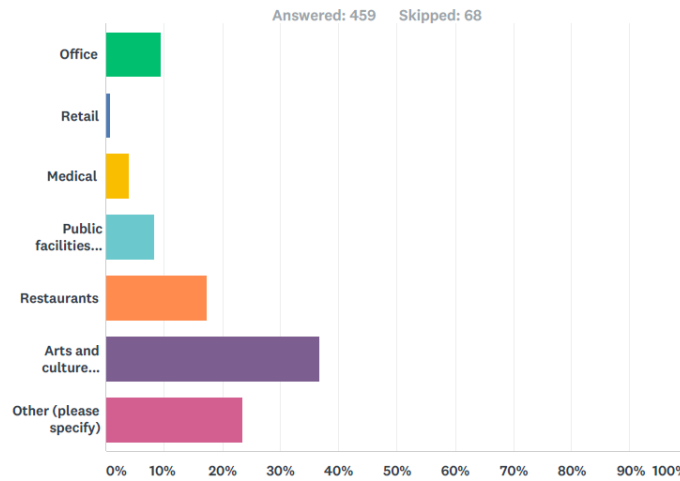


Figure 6-2: Arts and culture buildings rank #1 among the types of buildings or businesses respondents would like to see

Q13 Roseville needs more commercial areas to provide retail shopping, services, and job opportunities.

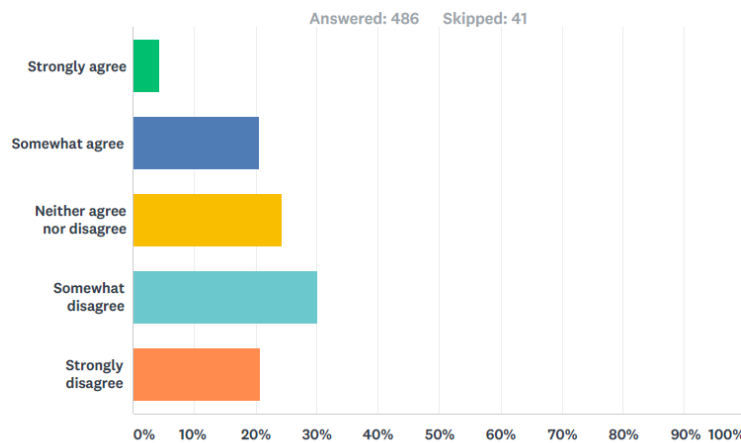


Figure 6-3: Respondents generally disagree that the City needs more areas for retail, shopping and services.

Q14 Roseville needs more areas for industrial and office parks.

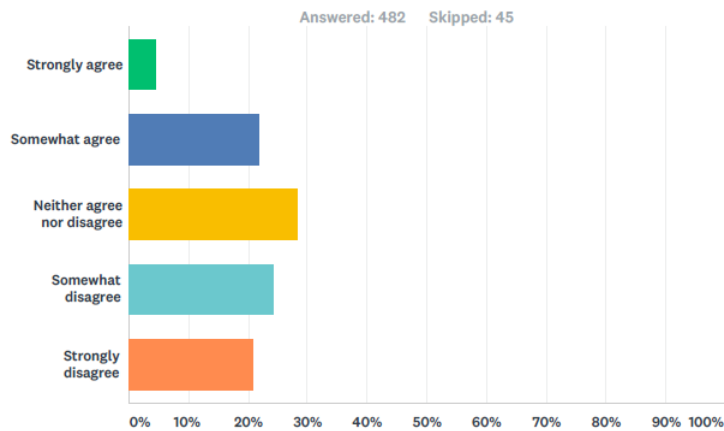


Figure 6-4: There is somewhat more support for areas for industrial or office parks

Q15 What are the top five industries or businesses you would like to see more of in Roseville?

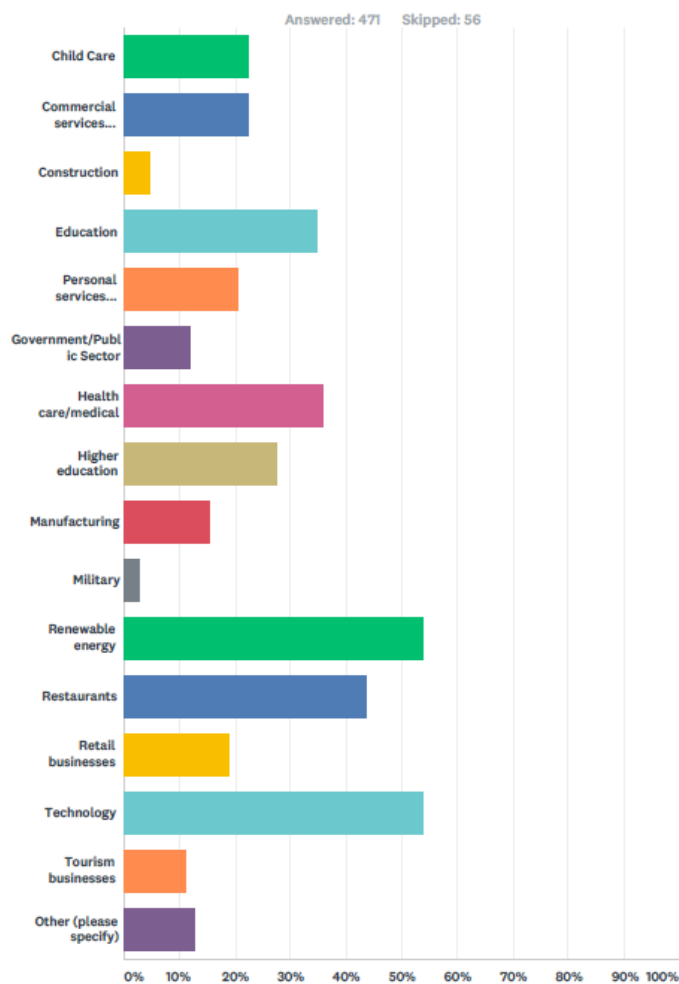


Figure 6-5: Technology, renewable energy and restaurants are the top three types of businesses that respondents would like to see more of in the City

Q12 Development on vacant or under-used land should be encouraged.

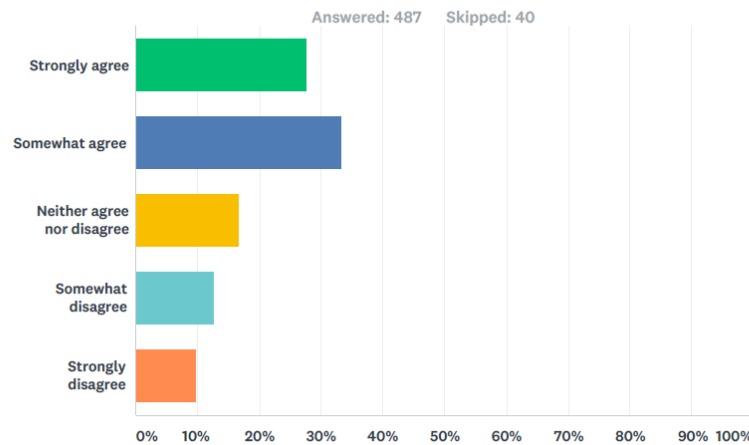


Figure 6-5: Respondents showed strong support for developing vacant or under-used land in the City.

In a 2016 city survey conducted by the Morris Leatherman company, the top response for the City to “fix or improve” (tied with roads) was to create more jobs.

REDEVELOPMENT

As described earlier in this Plan, the City faces unique challenges and opportunities because it is fully developed. While there is very little vacant land for new development, there are sites that have great potential for redevelopment, intensification, and revitalization that can serve as catalysts for economic development for decades.

As stated in Chapter 3 of this Plan, it is important to note that the City of Roseville considers “redevelopment” as an opportunity not just to reconstruct a site, but also to improve what is already there. The City intends to increase the vibrancy and attractiveness of the identified redevelopment areas by allowing and encouraging re-use of existing structures, infill development, redesign of parking areas and transportation facilities, and more. Redevelopment sites include areas that are underutilized, or that have the potential for adding to or revitalizing the buildings, businesses, and infrastructure.

The lack of “greenfield” land for development does present challenges that the City must face when creating an economic development strategy, namely:

- Extra costs of environmental clean-up (brownfield sites)

- Space constraints for existing businesses that want to expand
- Costs of re-using existing structures on a site
- Multiple properties and multiple property owners

Unique opportunities for financial assistance do exist for redevelopment sites. A summary of these tools can be found in the next section. Many other financial incentives are available through the Minnesota Department of Employment and Economic Development (DEED) related to business development, community development, and infrastructure.

Tool	Description	Funding Source
Tax Increment Financing	The most commonly used tool to enable redevelopment and already used by the City; Some special districts can be enabled by special legislation in addition to just redevelopment TIFs	City of Roseville
Tax Abatement	Tax abatement may be considered to help pay for public improvements, redevelop blighted areas, provide employment opportunities, or help provide access to services	City of Roseville and State of Minnesota
Special Taxing Districts	Enabled by state statute, can be set up by an EDA to fund redevelopment	City of Roseville
Livable Communities Grants	These grants fall into several categories focused on housing (LHIA), transit-oriented development (TOD), tax-base revitalization (TBRA) and that links housing, jobs, and services (LCDA)	Metropolitan Council
Special assessments	Special assessment districts can be created to pay for infrastructure projects that will kick start economic development	City of Roseville
Federal Grants	Community Economic Development Strategy Program and Low Income Housing Tax Credits	U.S. Economic Development Administration, U.S. Housing and Urban Development
Infrastructure Requirements	Adjustment of the requirements for infrastructure to help the area redevelop in a pattern that supports current usage trends	City of Roseville

Tool	Description	Funding Source
Ramsey County Economic Gardening Program	Geared toward cultivating home-grown businesses looking to grow and expand; provides technical assistance and focused research.	Ramsey County
DEED Redevelopment Grant Program	Helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use.	State of Minnesota
Clean Up Revolving Loan Program	Provides low-interest loans to clean up contaminated sites that can be returned to marketable use	U.S. EPA
Contamination Clean Up and Investigation Grant	Helps pay for assessing and cleaning contaminated sites for private or public redevelopment	State of Minnesota
Demolition Loan Program	Helps with the costs of demolishing blighted buildings on sites that have future development potential but no current plans.	State of Minnesota
Ramsey County Environmental Response Fund	A program focused on brownfield sites, this program helps project partners clean up contaminated properties.	Ramsey County
Eminent Domain	Only for “Public Use” or “Public Purpose” (MN Statute 117.025 Subd. 11)	City of Roseville

PRIORITY AND OPPORTUNITY AREAS

The City has identified priority sites for redevelopment, as well as opportunity sites which will be the focus of our efforts over this comprehensive planning horizon. Redevelopment Priority Areas and Opportunity Areas have been identified, and ranked, through a community input process involving residents and elected officials.

The identified locations are broken down into two categories: Priority Areas and Opportunity Areas. The distinction between the two categories is the level of assistance and focus that the City will use to encourage redevelopment. The Priority Areas and Opportunity Areas are discussed in greater detail in the sections below, and their locations are shown in Figure 6-7, on Page 19.

Priority Areas

The City will use a higher level of assistance to encourage the redevelopment of Priority Areas. Some of the possible assistance for these areas could include:

- Tax Increment Financing
- Special Taxing Districts
- Tax Abatement
- Special Assessments
- General Property Taxes
- Metropolitan Council Livable Communities Grant program
- Assistance with the application to county, state and federal grant programs that may fit the type of projects that are proposed for the area
- Assembly of properties
- Adjustment of the requirements for infrastructure to help the area redevelop in a pattern that supports current usage trends

Area 1 – Twin Lakes: Twin Lakes is a Priority Area for the City. Redevelopment of this area has been progressing for a number of years and has seen recent momentum in the redevelopment and repositioning of several properties.

The City's collaboration with the State on brownfield clean-up efforts has incentivized developers to consider the area and has expedited development due to known soil conditions.

Many of the existing original buildings, however, remain underutilized and underperforming. As developers have reviewed remaining parcels for redevelopment, there seems to be a large interest in the market for a residential project. Although the area is equipped with zoning that allows and encourages residential development, the development that has taken place so far has not included any residential uses

Area 2 – Southeast Roseville: The southeast corner of the community, and the corridor identified by Larpenteur Avenue and Rice Street, is a Priority Area for Roseville and has been the subject of an extensive visioning effort with the adjacent communities of Maplewood and St. Paul. The Rice-Larpenteur Vision Plan identifies short, mid, and long term recommendations for this gateway into these three communities. Recommendations stretch wide from infrastructure improvements that would better accommodate multi-modal traffic, to enhanced land use recommendations, place-making and design standards. The City initially identified this area as a priority redevelopment area because of

its location, cultural diversity and economic anxiety. As properties along the corridor redevelop, it will be critical that each community look to the recommendations of the Vision Plan to ensure that efforts are consistent and aligned with the goals and objectives identified for the area. A copy of the Vision can be found as Exhibit_____ to the Comprehensive Plan.

Opportunity Areas

Other areas have also been identified by the City as being important and providing a significant opportunity for redevelopment. However, redevelopment of these Opportunity Areas is not as urgent, which is reflected by a lower level of possible participation by the City. The City may use the same financial assistance tools for these sites as listed for the Priority Areas. The City acknowledges that market forces will be far more of a driver to affect change at the locations below, versus the aggressive involvement of city effort channeled to Priority Area sites.

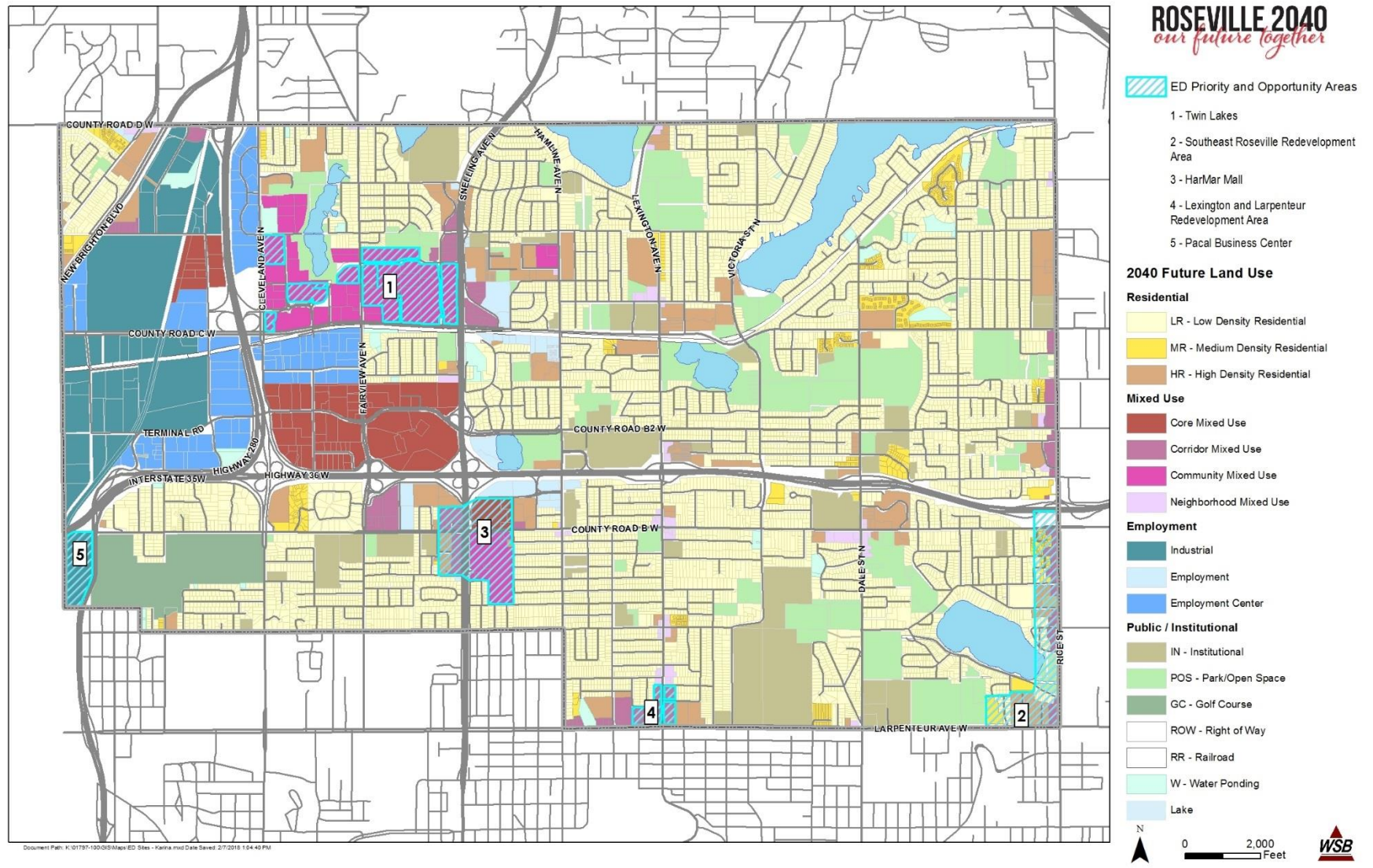
Area 3 – HarMar: The HarMar Opportunity Area currently consists of an enclosed mall and other freestanding structures that were constructed in the early 60's with traditionally associated parking areas for retail interactions. The area is ideally situated to allow for easy access for pedestrians and cyclists to both mass transit and the surrounding neighborhoods. In the near-term, there are opportunities to adjust the uses; create better connections between neighborhoods, transit, and the mall; and increase activity on the site. The long-term plan for the area will be its revitalization to fully exploit the infrastructure that is readily available to the area. Roseville also recognizes that careful attention to transitions and buffers between redevelopment of the HarMar area and the adjacent low-density residential neighborhoods is important to the success of the redevelopment and the long-term health of the neighborhoods. This redevelopment will occur as the retail market continues to mature and consumer behaviors adjust and change.

Area 4 – Lexington and Larpenteur: The Lexington and Larpenteur Opportunity Area is located along the southern boundary of the city at the intersection of two main transportation routes. The area was developed with small-scale strip retail centers, and may not be serving its full potential in use and tax revenue generation. This redevelopment area will be focused on the creation of community amenities to help meet the needs of the surrounding residential neighborhoods.

Area 5 – Pacal Business Center: The Pacal Business Center Opportunity Area is located to the west of Highway 280 and consists of an older manufacturing facility that has been divided into different business operations. This area does have limited access, making the redevelopment more difficult than the other areas identified in the city. The City will work with the parties involved with any redevelopment if the goals for both the City and developer are in alignment for the area.

The City will continue to develop relationships with all partners involved with the redevelopment areas described in this Chapter. The City understands that those relationships will allow for projects, and ultimately the successful redevelopment of the areas, to be completed efficiently and in a way that brings us closer to the City's vision. The City will also continue to pursue economic development opportunities for the entire community as they arise.

Figure 6-7: Economic Development Priority Areas in Roseville



GOALS AND STRATEGIES

Goal 1 – Create a development process and/or possible acquisition plan for identified redevelopment areas that is in conformance with the comprehensive plan.

Strategy 1 – Specify the appropriate level of City involvement for each redevelopment area.

Strategy 2 – Develop and implement a program for financial assistance for projects.

Strategy 3 – Engage property owners in the process for the redevelopment of their sites.

Strategy 4 – Assist with the completion and creation of the following types of information: market analysis, clarifying stakeholder goals, and creating a revitalization vision.

Goal 2 - Develop a comprehensive marketing and messaging strategy that promotes the business-friendly nature of the City.

Strategy 1 – Create a marketing plan to target specific industries and businesses to the City including the sites desired for redevelopment.

Strategy 2 – Implement a streamlined development process including an online permitting application process.

Strategy 3 – Complete a development-friendly code audit to identify and adjust regulations and policies with the goal of creating a more streamlined development process that would encourage redevelopment in targeted areas.

Strategy 4 – Benchmark the City's development fees against other comparable communities to ensure that they are appropriate and yet business-friendly.

Strategy 5 – Develop site profiles along with Roseville's Community Profile to include in a multi-media marketing strategy.

Strategy 6 – Obtain Shovel-Ready Site Certification for high priority redevelopment sites and include them in the marketing strategy.

Strategy 7 – Continue to implement the Business Retention and Expansion Program.

Goal 3 – Utilize land use planning to enhance job growth and continued economic health throughout all areas of the city.

Strategy 1 – Engage the business/property owners and residents to understand stakeholder goals and concerns.

Strategy 2 – Develop programs and assist with the acquisition of funding and technical assistance for the completion of the projects.

Strategy 3 - Identify the types of land uses and related building types that promote job generation and job retention to encourage economic growth in the city.

Strategy 4 - Encourage transit-oriented development (TOD) to support new and existing employment centers.

Strategy 5 – Utilize place-making principles when working with developers and property owners to ensure that redevelopment creates jobs and enhances Roseville’s unique identity.

Strategy 6 – Promote art and cultural opportunities to attract, retain, and expand businesses that contribute to the City’s creative economy.

Goal 4 - Identify workforce needs of City businesses and facilitate partnerships between the Chamber of Commerce, educational institutions, housing developers, and the business community to satisfy market demands.

Strategy 1 - Facilitate collaborations among local higher education institutions and business leaders to link educational programs with the workforce development needs of area businesses.

Strategy 2 – Create a roundtable discussion with specific business clusters to understand/address workforce issues affecting business operations.

Strategy 3 – Create a local developers’ roundtable to facilitate regular discussion of redevelopment opportunities in the City.

Strategy 4 – Continue and deepen the City’s partnership with Greater MSP, whose mission is to accelerate job growth and capital investment in the region.

Strategy 5 – Encourage and facilitate the development of a broad range of workforce housing choices including both multi-family and single family formats.

Goal 5 - Create infrastructure necessary to retain and attract desirable businesses, and promote an innovative business environment.

Strategy 1 – Work with regional groups on the needs for specific types of businesses and industries to allow for the development of infrastructure.

Strategy 2 – Encourage the expansion Metro Transit to employment centers and businesses and promote multi-modal transportation opportunities.

Strategy 3 – Review the development standards to allow for more flexibility for development based on changing market conditions.

Strategy 4 – Consider the adoption of a rehabilitation, façade and/or sign incentive program for existing small businesses in the City.

Strategy 5 – Consider the creation of a small business incubation space within the City.

ROSEVILLE 2040

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PRIORITY AREA: TWIN LAKES

OVERALL ACERAGE

128 Acres

CURRENT LAND USE

Commercial

FUTURE LAND USE

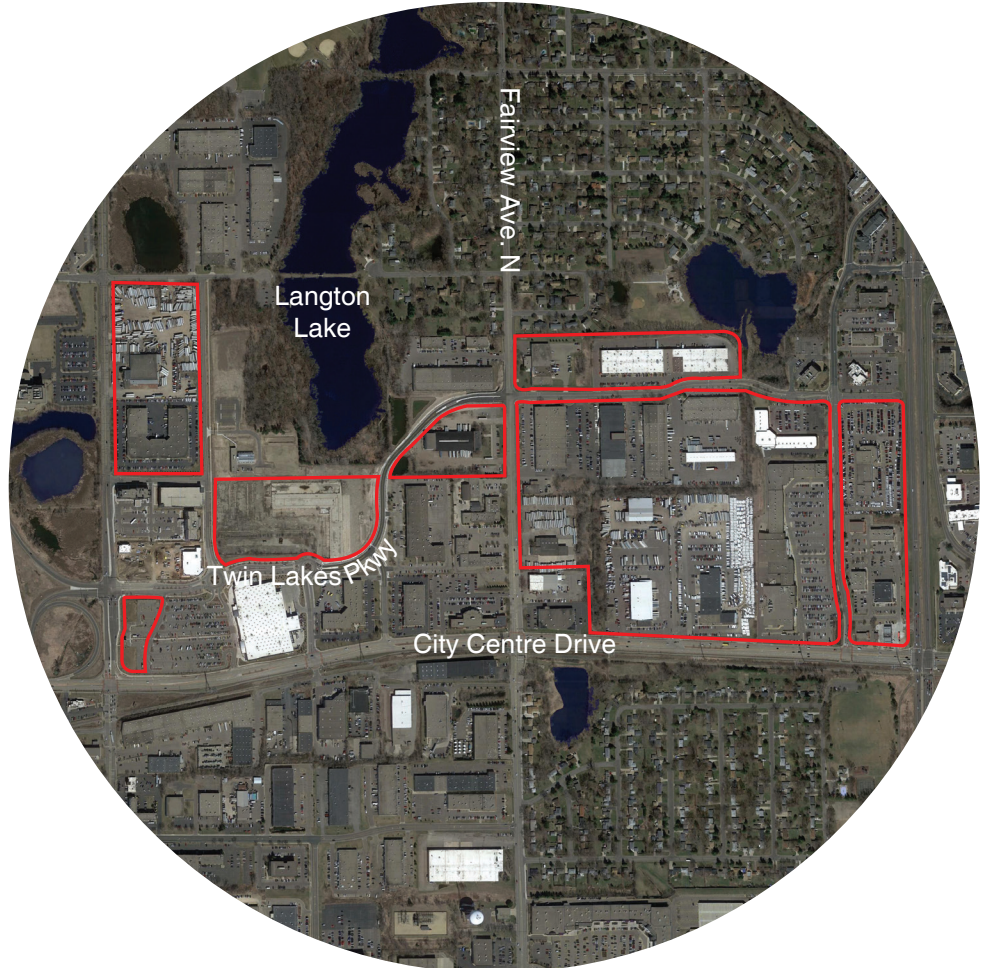
Community Mixed Use

REDEVELOPMENT

The redevelopment of this site has been in progress for a number of years. There has been significant success as properties are redeveloped and repositioned.

ISSUES

Many of the existing buildings are underutilized and underperforming when viewed based on tax generation.



ROSEVILLE 2040

our future together

PRIORITY AREA: SOUTHEAST ROSEVILLE

OVERALL ACERAGE

33 Acres

CURRENT LAND USE

Commercial and
High Residential

FUTURE LAND USE

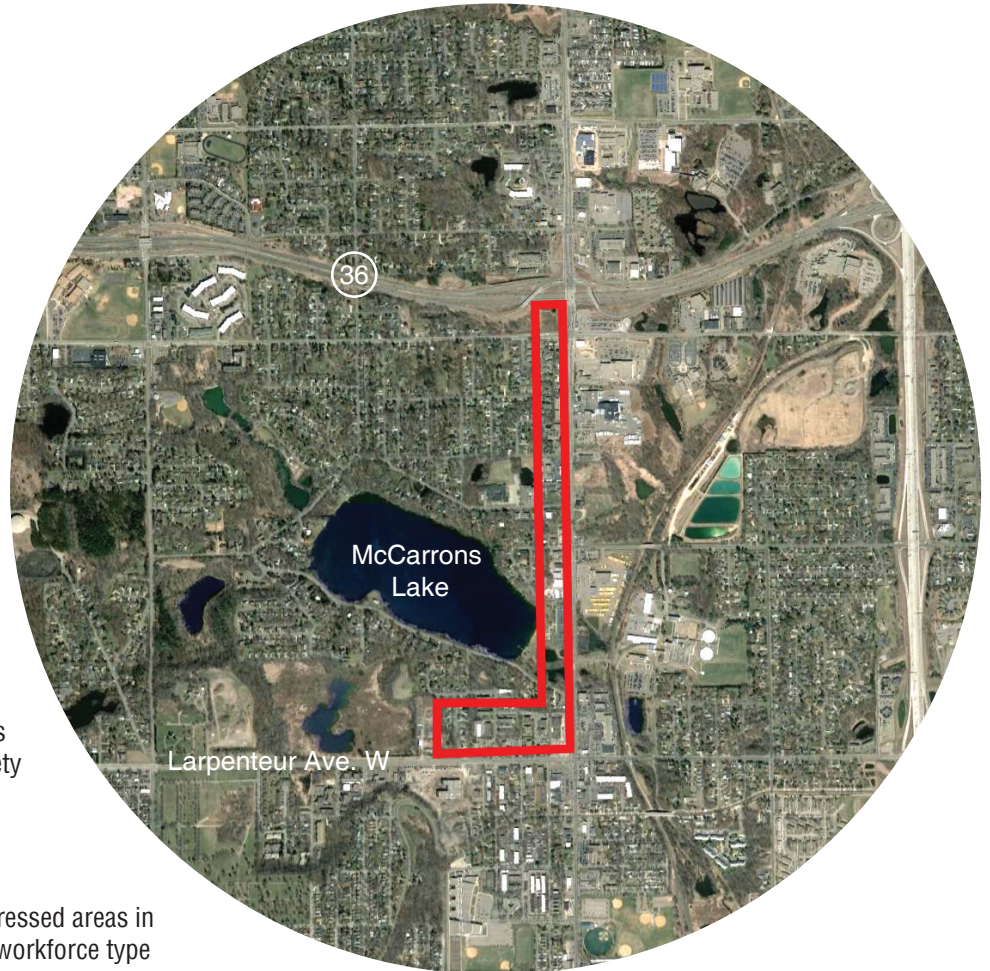
Corridor Mixed Use
Medium Density Residential
High Density Residential

REDEVELOPMENT

The redevelopment of this site is currently being studied to determine how the area can best be redeveloped in conjunction with Maplewood, St. Paul and Ramsey County which are all present at the intersection. Roseville has identified this area as a priority redevelopment area because of its location, cultural diversity and economic anxiety that is encompassed in the area.

ISSUES

This area is one of the most economically distressed areas in the community and has a significant need for workforce type housing and development that better fits the aspirations of its residents.



ROSEVILLE 2040

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OPPORTUNITY AREA: HARMAR

OVERALL ACERAGE

82 Acres

CURRENT LAND USE

Commercial and
High Density Residential

FUTURE LAND USE

Core Mixed Use
Community Mixed Use
High Density Residential

REDEVELOPMENT

This site includes an enclosed mall that was constructed in the early 60's with traditionally associated parking area for retail interactions. The site is ideally situated to allow for significant access to both mass transit and the residential areas of the community. In the near-term, there are opportunities to adjust the uses; create better connections between neighborhoods, transit and the mall; and increase activity on the site. The long-term plan for the area will be its revitalization to fully exploit the infrastructure that is readily available to the area. This redevelopment will occur as the retail market continues to mature and consumer behaviors adjust and change.



ISSUES

The aging HarMar Mall will need to overcome poor walkability and connectivity to Snelling Avenue and the transit amenities it provides. Parking areas both west and east of Snelling Avenue will need to be assessed to understand actual parking needs.



OPPORTUNITY AREA: LEXINGTON AND LARPENTEUR

OVERALL ACERAGE

17 Acres

CURRENT LAND USE

Commercial

FUTURE LAND USE

Community Mixed Use

REDEVELOPMENT

The area was developed as a small-scale strip retail area and is currently not seeing its full potential in use and tax revenue generation. This redevelopment area will be focused on the creation of community amenities to help meet the needs of the surrounding single family housing. It currently has strong tenant anchors in the very popular Key's Cafe, nearby Cub Foods grocery, and the redevelopment on the south side of Larpenteur Avenue with the CVS Pharmacy.

ISSUES

This area has a number of aging multi tenant buildings that will require reinvestment to capitalize on the investments in local road infrastructure to improve walkability.



ROSEVILLE 2040

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OPPORTUNITY AREA: PACAL BUSINESS CENTER

OVERALL ACERAGE

27 Acres

CURRENT LAND USE

Industrial

FUTURE LAND USE

Industrial

REDEVELOPMENT

This area is located to the west of Highway 280 and consists of an older manufacturing facility that has been divided into different business operations.

ISSUES

This area does have limited access, making the redevelopment more difficult than the other areas identified in Roseville. The City will work with the parties involved with any redevelopment if the goals for both the City and developer are in alignment for the area.

