



Economic Development Annual Report

Economic Development Authority
&
Economic Development Commission

2015

ECONOMIC DEVELOPMENT

2015 Annual Report

Organizational Structure

Recognizing that Shoreview was reaching a stage of maturity as a nearly fully developed community, the City established new strategies for fostering continued economic growth. While still seeking to attract quality business that provide good jobs and services to the community, there is now an added focus on retaining and growing our existing key businesses that serve as the economic foundation for the high quality of life in Shoreview. Additionally, the City has developed long-range vision and seeks opportunities for potential redevelopment of older commercial areas. To achieve the goals of this new strategy, the City Council adopted policies and mechanisms which have enabled the City to be proactive and also effectively take actions to facilitate business growth, redevelopment, housing diversity and reinvestment, and retail services desired by the community.

Critical to these efforts is the work of the Economic Development Authority and Economic Development Commission, two advisory boards providing policy input to the City Council on business and economic development matters. The City Council, Economic Development Authority and Economic Development Commission all work together to ensure that Shoreview maintains a strong, healthy, and positive climate that promotes and fosters continued economic development, business growth and reinvestment in the community.

ECONOMIC DEVELOPMENT AUTHORITY

The Shoreview EDA is a five-member board appointed by the City Council. It consists of 3 members of the City Council and 2 at-large members from the community. The City Council as a whole retains final decision-making authority on all financial and budgetary matters of the EDA.

The mission of the Shoreview Economic Development Authority is to facilitate economic growth by supporting existing businesses, foster reinvestment in residential neighborhoods and commercial areas, and promote the creation of new business, employment and housing opportunities in order to sustain and enhance the economic vitality and quality of life in the community.

In 2015, the appointed members of the Shoreview EDA included:

- Emy Johnson, President (Council member)
- Sue Denking, Vice President (At-Large)
- Shelly Myrland, Treasurer (At-Large)
- Terry Quigley, (Council member)
- Sandy Martin, (Mayor)

At their annual business meeting and in accordance with the governing by-laws, the EDA elected the following officers for 2015:

Emy Johnson – President
Sue Denkinger – Vice President
Shelly Myrland – Treasurer

Serving as Executive Director to the EDA is Assistant City Manager and Community Development Director, Tom Simonson. City Planner Kathleen Castle, and Nicole Hill, Economic Development and Planning Associate, also provide support and assistance to the EDA. The EDA also utilizes the services of Kirstin Barsness of Barsness Consulting and Robert Deike of the Bradley & Deike Law Firm.

The Shoreview EDA regularly meets at 5 p.m. on the 1st Monday of each month before City Council Workshop meetings in the Council Chambers at Shoreview City Hall.

ECONOMIC DEVELOPMENT COMMISSION

The Shoreview EDC is a 9-member advisory board appointed by the City Council. EDC membership includes both residents and business owners of the community. In 2015, the EDC celebrated its 300th official business meeting since it was created in 1988.

The mission of the Shoreview Economic Development Commission is to support the City Council to retain, expand and recruit diversified business development which provides varied and broad job opportunities for the purpose of maintaining the community's high quality of life.

In 2015 appointed members of the Shoreview EDC included:

Josh Wing, Chair
Sue Denkinger, Vice Chair
Jim Gardner
Dave Kroona
Jason Schaller
Mike Tarvin
Jeff Washburn
Jonathan Weinhausen
Kirk VanBlaircom

Reappointments – At their first meeting of the year, the City Council made advisory committee and commission reappointments including new three-year terms for the following members of the Economic Development Commission:

Jason Schaller
Jonathan Weinhausen

Election of Chair and Vice Chair – Each year pursuant to the establishing ordinance, the Economic Development Commission must formally vote to select members to fill the roles of Chair and Vice Chair. The EDC voted to appoint Josh Wing to serve as Chair and Sue Denkinger to serve as Vice Chair.

The Shoreview EDC regularly meets from 7:30 to 9:00 a.m. on the 3rd Tuesday of each month at Shoreview City Hall. Meetings are open to the public.

Economic Development

New Business and Development Projects

Ally Financial Services

The City of Shoreview worked closely with officials from the Minnesota Department of Employment and Economic Development (MnDEED) and GreaterMSP, along with the property management firm acting on behalf of the ownership group of the Shoreview Corporate Center, in securing the relocation and expansion of Ally Financial Services to occupy a large portion of the 4000 Lexington Avenue building on the business campus.

The City also established a special business permit parking zone along Chatsworth Street, on the eastern edge of the business campus, to accommodate the parking needs of Ally Financial and help facilitate their move to Shoreview.



Ally Financial is a national financial services company primarily serving the areas of auto financing, online banking, and corporate finance businesses. The company consolidated and relocated 150 current employees to the facility, with a plan to create an additional 250 jobs by 2017. The company invested \$6.5 million in building upgrades and other costs associated with the move to Shoreview. Ally Financial occupies about 60,000 square feet of lease space at the 4000 Lexington Avenue building within the Shoreview Corporate Center.

MnDEED provided support for the relocation and expansion through the Minnesota Job Creation Fund, with Ally Financial being awarded \$648,301 in State funding assistance. The EDA and City Council adopted a resolution in support of the Job Creation Fund application. According to State officials, Ally Financial was considering several other states for locating this operation, but preferred the Shoreview site because of the location and workforce.

City and County Credit Union

City officials including Mayor Martin helped celebrate the grand opening of the City and County Credit Union at a ribbon-cutting ceremony on January 15, 2015. The new facility is located at 1011 Red Fox Road, and was the final phase of the retail development that includes Trader Joe's and a retail center.



Kowalski's Market

Throughout 2015, the EDA worked closely with Oppidan Development on a redevelopment plan for the vacant Rainbow Foods grocery store (closed in July 2014) property at the northwest quadrant of Highway 96 and Hodgson Road. Kowalski's Market, a quality Twin Cities-based grocer, formally applied for a major renovation project of nearly \$20 million in new investment for property acquisition and the re-use of the existing 68,000 square foot building for a new grocery store and other related company operations.



The new Kowalski's Market will include a Wine Shop, Starbucks, and Cooks of Crocus Hills store, along with all the other offerings provided in their grocery stores throughout the Twin Cities region (the Shoreview store would be the 11th Kowalski's Market to open). Kowalski's would also consolidate operations from other locations and create a new central facility for their bakery, kitchen, and catering operations. The grocery-related components would take approximately 25,000 square feet of the 68,000 square foot building, with the remainder being re-purposed for the company operations.



The grocer expects to employ nearly 125 full-time and part-time positions for the grocery market, and another 60 full-time jobs associated with their bakery, catering and production operations that will be relocated from another community to the Shoreview site.

Kowalski's identified a funding gap in seeking City financing assistance to make the project feasible, based on the sale price of the property as well as the significant renovation costs associated with updating an obsolete 20-year old "big box" building. The EDA received and supported an application request for financing assistance in support of bringing Kowalski's to the community, and facilitating reinvestment of a key commercial property.

Another critical issue for the redevelopment project to move forward is the need for a free left-turn lane access into the site from east bound Highway 96. Kowalski's has indicated that the left-turn access is essential and a deal-breaker to the project, if not approved. A traffic analysis was prepared by the developer, and Ramsey County has given their approval of the added turn lane.

Additionally, the proposal included a separate parcel in the existing parking lot area near Highway 96 that would be sized to support a 6,000 square foot freestanding retail use. The retail pad is being marketed through the existing property owner Sidal Realty, and Kowalski's will be acquiring the remainder of the property.

Hampton Inn (Best Western Plus) and Green Mill Renovation

Work has been completed on major renovations to the Green Mill restaurant and Hampton Inn hotel in Shoreview. The property owner is converting the hotel to a Best Western Plus brand in 2016. The hotel has undergone significant upgrades to interior spaces including guest rooms and renovated/expanded banquet space. The Green Mill was also redesigned and now has a much larger outdoor patio space. The property has also been rebranded as the North Metro Meeting & Event Center as part of this improvement project.



Raising Cane's

Raising Cane's held a grand opening event on October 8th to celebrate their new Shoreview restaurant located near Super Target on Lexington Avenue. Members of the City Council, EDA and EDC were on hand to help with the celebration. The restaurant chain is very popular in the South and growing in the Midwest. According to Raising Cane's, this is their 238th store in the United States and just the 3rd in Minnesota.



Shoreview Library

Construction began on a new Ramsey County regional library in the Shoreview Commons, near the northeast corner of Highway 96 and Victoria Street. The new \$15.8 million Shoreview Library is being designed as a regional library, and will include public library service area, community space, and administrative offices for the overall County Library system (currently located in the existing library). The existing library building is being purchased by the Mounds View School District from Ramsey County, and will be renovated to accommodate their district administrative services.



The new Shoreview Regional Library will be a modern designed facility of approximately 38,000 square feet. The existing library will continue to operate throughout the construction until closing in December, 2016 to move materials over to the new regional library for opening in January of 2017. It is expected that the Mounds View School District would take possession of the existing library building in early 2017, and then proceed with their plans for tenant improvements.

POTENTIAL DEVELOPMENT PROJECTS

Children’s Hospital Site

Children’s Health Care (Children’s Hospital) is actively marketing for sale their 18.56 acre vacant parcel within the Rice Creek Corporate Park. The site is the largest remaining vacant commercial parcel within the City. Children’s has owned the property since 2001, when they were planning a north metro medical campus, which they decided not to pursue. The City was approached by representatives of both Children’s Health Care and the commercial broker engaged by Children’s, along with a prospective business development interested in the site for office/flex space. The restrictive covenants adopted for the overall PUD guiding development of the corporate campus restricts the Children’s property to office type uses. Children’s representatives suggest that the current development market, especially in the north metro area, is very strong for business/office flex space. Conversely, they believe the market is weak for corporate office space. The EDA, along with the City Council and Planning Commission, are considering a policy issue that could allow for greater development flexibility (similar to the majority of the other buildings in the Rice Creek Corporate Park) for the largest remaining vacant parcel in the community available for development. Benefits to allowing for business park type uses could be the ability to attract new businesses or retain existing growing companies by providing new office/flex tenant spaces that are generally lacking in the city.



Shoreview Corporate Center

In a multi-million dollar transaction, Eagle Ridge Partners reacquired the Shoreview Corporate Center complex located along Lexington Avenue between County Road F and Gramsie Road. Eagle Ridge Partners had previously owned the property 16 years ago, and at that time rebranded the campus to the Shoreview Corporate Center. The Shoreview Corporate Center consists of 5 separate buildings totaling 553,000 square feet of space. The 35-acre campus includes Land O’ Lakes Corporation operating out of the 1050 and 1080 County Road F buildings with approximately 850 employees, and Hill-Rom Corporation located in the 1020 County Road F property with about 400 employees. Ally Financial Services is currently moving into the 4000 Lexington Avenue building.



Since the property acquisition, the City has been working with Eagle Ridge Partners on the potential redevelopment or major renovation/repurposing of the 1005 Gramsie Road building, the largest of the buildings on campus at 160,000 square feet. Eagle Ridge Partners plan to undertake significant reinvestment in the property to modernize the campus.

The City has also had discussions with the ownership regarding other potential improvements to the business campus in order to retain existing businesses and attract new companies to vacant spaces. While there have been substantial interior improvements in certain buildings over the years made by existing tenants, there have not been much overall reinvestment in the properties and providing sufficient parking has also been a challenge. National corporations including Land O' Lakes and Hill-Rom have been long-time tenants, and it would be the goal to retain these companies and also attract new quality businesses such as Ally Financial Services.

Shoreview Business Campus

The City is working with commercial real estate broker representing the ownership of the Shoreview Business Campus, on their interest in selling and developing the remaining 10-acres of vacant land within the project site. Shoreview Business Campus is located along Lexington Avenue between County Road F and Victoria Street (just south of the Weston Woods townhouse neighborhood, north of Shoreview Hills Apartments and east of Boston Scientific). The original Shoreview Business Campus as approved as a planned unit development business park of three buildings, but only the first phase was constructed. The remaining land was placed in a conservation easement, and now appears to be unencumbered allowing for potential development. The existing 50,000 square foot multi-tenant building includes the Allina Clinic, Courage-Kenny Sports & Physical Therapy, and Torax Medical.



STRATEGIC INITIATIVES

Highway Corridor Transition Study

At the direction of the EDA, in 2014 the City engaged the services of a consultant group headed by the planning firm HKGi to evaluate key corridors within the community that may transition from one type of land use to another. The Highway Corridors Transition Study was undertaken to evaluate the long-term potential for properties, particularly single-family homes in five study areas. The 2011 Housing Action Plan recommended the study be completed to evaluate the impact that noise, traffic volumes, and speeds may have on the long-term viability of homes along the arterial highways of Hodgson Road, Rice Street, and Highway 96. The study was intended to evaluate the redevelopment potential along the corridors, as well as identify strategies to support the long-term land use plan for the area. The five areas selected for the study included:

- The area around the intersection of Hodgson Road and County Road J
- The area around Hodgson Road and Tanglewood Drive

- Highway 96 from the Shoreview Commons Civic Campus to Mackubin Street/Snail Lake Boulevard
- Hodgson Road from Highway 96 to Gramsie Road
- Rice Street around Interstate 694

The year-long study process included work sessions and input from the City Council, Economic Development Authority, and Planning Commission. The Highway Corridors Transition Study was completed and accepted by the City in 2015, with the study findings and recommended actions to be used as a guide for future redevelopment and land use policy changes to be considered with the update of the City's Comprehensive Plan that is to be completed by 2018.

Retail and Restaurant Analysis

McComb Group, Ltd. was engaged by the Shoreview Economic Development Authority to prepare two separate but related studies to identify current market conditions and actions the City could take to attract more quality sit-down restaurants to the community, and a new grocer or other desired retail uses for the Rainbow Foods property.

The objective of this engagement was to identify the City's ability to accommodate the site location and trade area requirements for a sit-down restaurant. The findings of the market analysis were also utilized by the City to promote and seek a high quality grocery store to come to the community.

Four areas were evaluated and identified as having the greatest potential to support a casual dining restaurant, including:

- Lexington and I-694
- Rice Street and I-694
- Lexington and Highway 96
- Hodgson and Highway 96

The completed market research indicated sales potential to support appropriately sized casual dining restaurants in Shoreview. A new restaurant in one of the retail areas in Shoreview would be likely to perform at the upper end of the sales range due to trade area affluence and minimal nearby competition. The study also indicated that securing a restaurant at one of the identified locations is also impacted by availability of land or building space, and potentially the need for overall redevelopment to occur to create the desired amenities usually found with dining establishments such as housing density, pedestrian and vehicular access, and nearby services and attractions.

BRE/Targeted Investment Strategy

The EDA authorized a special study initiative to link companies identified as having expansion needs ascertained through the Business Retention and Expansion (BRE) Program with redevelopment opportunities. An issue that has been identified through the work of both the EDA and EDC as part of the BRE Program is that much of the City's available industrial and business park multi-tenant facilities are older, especially along the I-694 corridor and generally lack some of the critical building amenities desired in today's market. Older industrial/business park space, combined with a lack of vacant property, creates a challenge for the City to retain and attract businesses seeking new space to grow.

Goals for the assessment is to develop a Targeted Investment Strategy, allowing for Shoreview to focus simultaneously on linking key businesses that need additional space for expansion with areas within the City that have the highest potential for redevelopment.

Developing the Targeted Investment Strategy requires the fusing of two separate activities:

1. Expand the level of interaction with both the BRE Companies, plus current and past participants involved in the Economic Gardening Program. These two clusters represent the highest concentration of future business growth for the City of Shoreview. In 2015, a new survey was developed to gather information specific to possible expansions of local businesses.
2. An assessment of possible commercial and industrial investment opportunities within Shoreview, evaluating key commercial areas. In 2015 the focus was on the research and assembly of information for the six Targeted Investment Areas (TIAs). Utilizing manufacturing, light industrial or warehousing use as the criteria for inclusion in the study, the locations identified as TIAs include: Cardigan Road, County Road E West, Highway 96, Shoreview Corporate Center, Shoreview Business Center, and Rice Creek Corporate Center. As a task, the data collection is detailed. There are 77 parcels and for each parcel there are 34 data points.

The next step planned for 2016, will be to identify critical sites for redevelopment and business development potential. BRE companies will be contacted for survey regarding expansion needs. The two data sets will be linked allowing the City a database of both expansion sites and companies in need of space.

Business Retention Visits

In 2008, the City established a strategic plan for fostering continued economic growth by focusing on retaining and growing existing key businesses. Through the adoption of the *Shoreview Business Retention and Expansion (BRE) Program*, the City developed comprehensive and proactive strategies to strengthen relationships with the local business community, especially key landmark and emerging companies deemed critical in providing significant jobs and economic tax base that benefit the overall quality of life in Shoreview.

The *Shoreview BRE Program* was adopted by the City Council, with the work to implement and carry out the program actions charged to the advisory Economic Development Commission. Central to the *BRE Program* is regularly communicating and visiting with our key businesses to ensure that there are positive relationships and the City is positioned to actively and aggressively respond to business needs to retain and grow these companies in Shoreview.

Teams consisting of the Mayor, City Council members, Economic Development Commission members, and City staff have conducted over 30 in-person visits over the past several years. A number of these business visits have resulted directly in business retention and expansion projects through private-public partnerships developed between the City government and our businesses.

In 2015, the City Council, EDC and EDA members, and City staff conducted visits to the following businesses:

- Key Medical Supply
- North Metro Meeting & Event Center
- Summit Machine
- Torax Medical

FINANCIAL PROGRAMS

Special BRE Legislation/BRE Loan Fund

The City staff continued to market the BRE loan program and special legislation to local companies exploring expansion opportunities in the community. The City received legislative approval back in 2014 for a “Shoreview Tax Increment Pilot Project”, which allows for the establishment of up to three special Economic Development Districts for an extended period of 12 years and create a special business retention and expansion fund from both existing and future tax increment resources that can be used to assist with grants and loans to existing local businesses with expansion needs that will create good quality jobs. The City will have this special authority to develop and implement a pilot program for a period of 5 years.

As part of the special legislation for a new Business Retention and Expansion (BRE) Tax Increment Financing (TIF) District, the City of Shoreview has the ability to create a new BRE Fund. This fund is a separate entity from the BRE Tax Increment District. Under the Special Legislation Statute, the City can create up to three (3) BRE Tax Increment Districts where 20% of the increment collected (pooled) can be receipted in the BRE Fund.

The BRE Fund will be used to provide loans to qualifying businesses looking to expand and create jobs. The EDA and City Council unanimously adopted an amended and updated business loan policy called *Advantage Shoreview Business Loan Program* consistent with the special legislation. The special BRE TIF Districts and BRE Fund is available to local companies looking to expand and add jobs in the next few years.

Tax Abatement Policy

Over the course of several recent meetings, the EDA has discussed the financial tool of tax abatement as a potential use by the City in the future to support redevelopment goals, including the potential use of a local abatement to assist with the redevelopment of the Rainbow Foods property. The consensus of the EDA was the tax abatement could be a useful and necessary financing tool that could assist with the City’s economic development and redevelopment goals.

The EDA and City Council reviewed and adopted a new Tax Abatement Policy. The Policy is similar to the Tax Increment Financing Guidelines/Policy the City has had in place for a number of years. Both policies are created to help provide guidance to developers and/or businesses on the parameters of the City’s use of these financing tools, but each project will continue to be considered on the specific merits and demonstrated need for public financial assistance.

Financial Assistance Program Applications

Economic development staff revised the City’s business assistance application forms to incorporate tax abatement as a financing option to request besides tax increment financing (depending on the specific project purpose, need, and eligibility). Updates were made to all the application forms and are collectively known as the “Business Assistance” Applications. Copies of the Policies for Tax Abatement, Tax Increment and corresponding applications are available through the Community Development Department.

BUSINESS OUTREACH

EDC “On the Road” On-Site Business Meetings

To continually increase connectivity to Shoreview businesses, the EDC endeavors to hold a few of their monthly meetings on-site at local companies. Typically, these meetings allow local businesses to showcase their companies, products and talent with questions and interaction from the EDC. In 2015, the EDC held their October meeting at the newly refurbished and renovated North Metro Meeting and Event Center, which included a tour of the major improvements to the Hampton Inn (soon to transition to a Best Western Plus brand) and the Green Mill restaurant. In December, Key Medical Supply (a BRE company) hosted the group and provided an informative tour of their facility in Rice Creek Corporate Park.

Economic Development Tour

In the fall of 2015, the City Council, EDA and EDC members participated in a staff-guided bus tour of 13 different development sites within Shoreview. For each site, the status/issues were highlighted, along with an overview/summary of the site in relation to key City studies or policies on business retention and redevelopment. Policy questions were identified by staff for future discussion by the decision-making boards.

Small Business Workshops

The EDC and staff developed and hosted a Small Business Workshop on May 14th at the Shoreview Community Center. The workshop focused on the recruitment and retention of employees and featured a panel discussion of human resources and employment specialists. Panelists included representatives from MnDEED, Greater MSP, Manpower, and Land O’ Lakes Corporation. The Saint Paul Area Chamber of Commerce adopted this program as their May meeting of the Arden Hills-Shoreview Business Council and helped with advertising the workshop. The event was also promoted through press releases, social media, the Business Matters newsletter, direct mailing to local businesses, and emails to key businesses.



SMALL BUSINESS WORKSHOP:
TALENT RECRUITMENT AND RETENTION STRATEGIES

Would you like to know more about attracting and retaining employees? Please mark your calendars for May 14th! We will have a panel of experts on hand to cover the ins and outs of recruitment and retention in the changing work environment as well as answer your questions.

Panelists Include:
Jeremy Hanson Willis - Deputy Commissioner for Workforce Development at MN DEED
Matt Lewis - Strategy Manager for Greater MSP
Jacquelyn Carpenter - Regional Director for Manpower
Abby Webber - Senior Recruiter for Land O' Lakes
Moderated By: Meghan Murphy - Co-Executive Director for Pollen

For more information, please visit our website at:
www.shoreviewmn.gov/smallbusinessworkshop

FREE EVENT
THURSDAY, MAY 14TH
8:00 AM - 10:00 AM

SHOREVIEW CITY HALL

CONTINENTAL BREAKFAST WILL BE PROVIDED

Towards the end of 2015, and on behalf of the EDC, City staff began working with the City of Arden Hills, Vadnais Heights Economic Development Corporation, and Saint Paul Area Chamber of Commerce on developing a jointly sponsored business workshop series. All of the parties have hosted similar seminars in recent years with various levels of success in turnout, and by joining together we can combine our marketing resources including online registration and outreach of the St. Paul Chamber to hopefully generate more interest and provide greater benefit to our respective business communities covering topics that are important to their growth needs and success. The first joint sponsored event was planned for March, 2016.

Shoreview Business Exchange

As part of on-going communication and networking, the Economic Development Commission and City Council hosted two Shoreview Business Exchange events. These events are open to all Shoreview area businesses and offer an opportunity for interaction between the private and public sectors. There typically is not a formal meeting or agenda focus, but the primary purpose is to foster open communication between City officials and members of the business community in an informal social and networking setting. The spring/summer Shoreview Business Exchange was held on June 4th at the Hilton Garden Inn. The fall/winter event took place on December 9th at the North Metro Event Center located in the Hampton Inn.



Shoreview Business Matters Newsletter

The Spring/2015 edition of the Shoreview Business Matters newsletter included information on the City's BRE program and special TIF legislation we were granted by the State, a spotlight article on local business Stillwater Express, a reminder on the City's new temporary business sign regulations, and promotion of the Small Business Workshop.

The Fall/2015 edition included articles on the Interstate 694 third lane addition between Rice Street and Lexington Avenue, an introduction to the Economic Development Commission Mission and members, an information piece related to state mandated business recycling requirements, and a spotlight on Torax Medical, a local manufacturer.

PARTNERSHIPS

MnCAR

Shoreview joined the Minnesota Commercial Association of Real Estate/Realtors (MNCAR). The organization is the pre-eminent commercial real estate brokerage organization in Minnesota. They provide members with a collaborative community of real estate professionals, information and research like commercial real estate listings in Minneapolis, Saint Paul, the Twin Cities and all of MN through the MNCAR Exchange. City staff utilizes this information to follow market trends and assist in promoting and attracting businesses to properties that are available for sale or lease in Shoreview.

Xceligent

Through the City's partnership with Greater MSP and their business retention program tracking service, Shoreview receives access to the Xceligent database. Xceligent is a leading provider of verified commercial real estate information across the United States. The database includes a comprehensive inventory of commercial properties, buildings available for lease and sale, tenant information, sales comparables, historical trends on lease rates and building occupancy, market analytics, and demographics. This information was used to complete the research for the City's BRE and Targeted Investment Strategy, and provides another tool for the City to assist our valued local businesses.

Area Chambers of Commerce

The City maintains relationships with both the Saint Paul Area Chamber of Commerce and the Twin Cities North Chamber of Commerce, both serving the North Metro area. The City and Chambers of Commerce have formal services agreements, where the City receives assistance with business support, retention, and promotion, as well as providing our businesses access to training opportunities and events. Both Chambers have partnered with Shoreview in establishing a joint business workshop series starting in 2016.

Transportation Funding Support

The communities of Shoreview, Arden Hills and Little Canada lobbied the 2015 legislature and rallied local business for support to secure funding for Rice Street bridge replacement and I-694 interchange upgrades. City staff coordinated a letter writing effort of key local businesses to support funding of this important public improvement. The City was part of a coordinated public/private lobbying effort to successfully receive State funding through the "Corridors of Commerce" program that will add lane capacity along I-694 through Shoreview from Lexington Avenue to Rice Street. Work will begin on this project in 2016 with completion the following year.

The City is also participating in a joint funding effort to develop preliminary design plans for improvements to the Rice Street Bridge at I-694. The cities of Shoreview, Little Canada and Vadnais Heights, along with Ramsey County is developing the plans to make the project "shovel ready" in an effort to gain funding approval during the 2016 Legislative session. Shoreview has agreed to provide up to \$100,000 towards the plan development effort.

Housing

HOUSING PROJECTS

Applewood Pointe

Applewood Pointe of Shoreview, an upscale senior cooperative building has been completed and opened in early October of 2015. The 77-unit three-story project was a redevelopment of the former Kozlak's Royal Oak restaurant property at the southwest corner of Tanglewood Drive and Hodgson Road. The developer was United Properties, which has developed a number of senior cooperatives in the Twin Cities under the "Applewood" concept. According to the developer, all units have been sold.



Elevage Development (I-694 & Rice Street)

Elevage Development Group formally applied for a Planned Unit Development approval for an upscale mixed-use housing and retail redevelopment at the northwest corner of County Road E and Rice Street. The project involves the tear down of the old retail center property, as well as three adjacent single-family residential properties that were all acquired by the developer. The \$30 million dollar development includes a multi-story high end market rate rental apartment building of 134 units with underground parking, first floor restaurant and retail spaces, and 14 luxury rental townhomes. The developer also applied for tax increment financing to assist with the redevelopment project. The developer hopes to receive formal approvals over the winter and begin construction by spring of 2016.



Villas of Shoreview

In 2015, the City approved site and building plans for an addition to the Shoreview Senior Living campus along Hodgson Road, for a separate 31-unit market rate high end senior apartment building that would complement the existing senior housing mix on the property. The first phase of the Shoreview Senior Living complex was completed in 2012. The project, located on Hodgson Road north of Highway 96, currently has 105-units of mixed congregate, assisted living, and memory care apartments. Construction is expected to begin in the spring of 2016.



Single-Family Housing Development

- **Autumn Meadows** – All of the 25 lots have been sold in the Autumn Meadows subdivision developed by Pulte Homes. The single-family residential project, located in northern Shoreview near the north water tower, will consist of homes ranging in price from \$450,000 to \$650,000.

- **Owasso Beach** – Premier homebuilder Zawadski Homes received City approval in 2015 and began construction of improvements for a 10-lot luxury single-family residential project called Owasso Beach in southern Shoreview. Grading and utility work was completed in 2015, with the public road extension and house construction expected to begin by spring of 2016. Homes will be priced in the \$450,000 to \$700,000 range.

HOUSING PROGRAMS

Shoreview Home Improvement Loan Program

In spring 2015, the Economic Development Authority discussed the existing Home Improvement Loan Program and with their direction, staff worked on re-marketing it to raise awareness. The marketing included community outreach and communication outlets such as the ShoreViews newsletter, City website, and other social media.

- **Additional Eligibility**

The Environmental Quality Committee sought clarification on whether Solar Energy Improvements were an eligible under the current rules of the loan program. In the past there has been interest by residents inquiring about solar panel installations as part of a home improvement loan through the City's program. Protocol since the inception of the Home Improvement Loan (which was originally established for energy related improvements) has been for the Housing Resource Center to consult with City staff on loan applications for items not specifically defined in the program. There have been several improvement projects where we have consented to including costs for solar panels in the approved loan. The Environmental Quality Committee wanted to specifically add Solar Energy improvements as a part of the loan program so that residents are aware of that option. The EDA approved this addition to the eligibility and amended the application accordingly.

- **Status of Loan Approvals**

Since the introduction of the Shoreview Home Energy Loan Program in May 2010, the HousingResource Center has closed 19 loans, all for single family homes located in the targeted neighborhoods. The total amount of loans made is slightly over \$256,503 with the program beginning to generate additional income that can be added to the loan pool.

NEC/ Energy Fit Home Program

Over the course of the year, City staff has explored additional options to help encourage re-investment in the aging home stock in the City pursuant to the direction of the EDA. Aside from the remarketing of the Home Improvement Loan program, staff met with members of the Neighborhood Energy Connection (NEC). These discussions have led to the EDA exploring ways in which the City could incentivize the Home Energy Audit and the Energy Fit Home Certification program, which could lead to the awareness and correction of energy deficiencies in a home.

Recommended options for incentivizing participation in the program include:

- Offering a rebate for the cost of the standard Home Energy Audit with the blower door test -\$60.00
- for the first 100 residents to sign up for it with a home built in 1999 or older.

- Offering a \$100 incentive for completing the Energy Fit Home Certificate for homes built 1999 or older.
- Offering a 20% rebate up to \$200 for the cost of ventilation.

The rebate for the cost of the Audit would be initiated by the NEC once the homeowner applies for the audit. Conversely, the Energy Fit Home Certificate incentive and the rebate for the ventilation would both have to be applied for from the City upon completion of the work and/or certificate.

Pilot Project - The Minnesota Hoarding Project

In 2015, the City continued working with the Minnesota Hoarding Project and Ramsey County on a pilot project to better address hoarding cases at the municipal level. The goal of the pilot project is to create a protocol for a community response to hoarding disorder that includes a consistent and safe response for Shoreview, MN residents, first responders, and the public. This protocol has been developed with the assistance of the Economic Development Authority and is being currently being used with new and existing cases. Other outcomes of this project include:

1. Advertising the pilot project and hoarding related topics using media outlets (e.g., billboards, Cable TV community access, print media, and social media) throughout the year.
2. Developed an information/resource packet for Code Enforcement Officers, First Responders and Residents.
3. Amended the City's Property Maintenance and Housing Code to better address the unique housing conditions associated with hoarding.

Hazardous Building Process Defined

The EDA and City Council defined a process for dealing with hazardous buildings within the community.

A City has the right to mandate the repair or even removal of property under the Hazardous Building Law, Minn. Stat. §§ 463.15-.23. Under this law, the City may seek court permission to raze/repair a structure if the structure meets the definition of a hazardous building. "Hazardous building or hazardous property" means any building or property, which because of inadequate maintenance, dilapidation, physical damage, unsanitary condition, or abandonment, constitutes a fire hazard or a hazard to public safety or health. The League of Minnesota Cities provides a full summary of Hazardous Buildings Statute and the protocol in handling one in their Dangerous Properties publication. The handout states that Minnesota law provides authority and a process to deal with hazardous buildings. This process allows the city to order a property owner to repair or remove a hazardous condition, or in extreme cases, to raze the building. If the owner does not do the work, the city may do so and charge the costs against the property as a special assessment. The law requires that the court oversee or be involved during most of the process.

Before the council orders a hazardous condition to be repaired or removed, the council must first make a determination that the building is hazardous. This must be done during an open city council meeting. At the meeting, it is advisable that the city council consider all the relevant evidence it has, such as any inspection notes or reports, photographs of the property, code violations, and any other information related to the property, including any information provided by the property owner or occupant. It is also advisable to keep in mind the statutory definition and consider how the evidence relates to this definition.

PROPERTY AND HOUSING MAINTENANCE

The City of Shoreview continues to operate the SHINE and Rental Licensing Programs. As part of the EDA's role as the City's housing agency, updates and recommendations are provided regularly by City staff.

SHINE Program

The **SHINE** program is intended to serve as an educational tool by providing property owners with information regarding the City's housing and property maintenance standards. Two neighborhoods are selected each year, one in the spring and one in the fall. This year, with the consent of the EDA, in lieu of conducting the **SHINE** program in a residential neighborhood this spring, staff focused efforts in the commercial areas and address temporary signage. The City Council, Planning Commission and Economic Development Commission had all previously discussed the appearance of commercial areas in the community and expressed concern regarding the proliferation of temporary signage. Educational information regarding the sign regulations and the City's intention to inspect properties was mailed to local businesses. The effort was to raise awareness on sign regulations, especially temporary banners, and the follow-up with properties/businesses that may have some more significant signage violations

In the fall of 2015, an additional 184 residential properties were inspected in a neighborhood. The program continues to serve as an excellent tool for educating and enforcing property and housing maintenance values and standards.

Rental Licensing

Shoreview established a rental housing licensing program in the summer of 2003 to address issues associated with the increase of rental housing units within the community. This program applies to single-family attached/detached homes, townhomes, mobile homes and multi-family dwelling units that are being used as rental properties. The program addresses several issues associated with rental housing units including maintenance, use and/or activity. Licensing enables the City to ensure rental properties are maintained in a manner that provides decent housing for residents and upholds the property maintenance standards of the community. In 2015 the City of Shoreview issued a record 606 rental licenses.

Rental Licenses Issued						
Year	2010	2011	2012	2013	2014	2015
Licenses	357	448	550	572	554	606

Code Enforcement and Abatement

The City's Code Enforcement Program is administered to respond to complaints and observations that a property contains a use, construction or an activity that may not be in compliance with the City Zoning and/or Building Codes, including housing and property maintenance standards. Staff investigates the complaint through a site inspection and assesses whether a code compliance issue exists. If the complaint is verified, staff then works with the individuals to achieve compliance. In some instances, legal action may be needed to achieve compliance. Below is a table showing code enforcement cases the past two years:

Code Enforcement Activity			
Year	Total Cases	Cases Open	Cases Closed
2015	185	108	77
2014	173	45	128

Housing Resource Center

The City of Shoreview contracts with the non-profit **HousingResource Center**, a program of the Greater Metropolitan Housing Corporation (GMHC), to provide a variety of housing program services to our residents. The **HousingResource Center** is a community service for homeowners and provides comprehensive free housing services to all residents of participating communities, while also improving the community and its housing stock. The **HousingResource Center** provides numerous services, including individual, high quality, complete assistance through the purchase, financing, refinancing or construction/renovation process. The **HousingResource Center** is located at 1170 Lepak Court in Shoreview.

HousingResource Center – North Metro Office City of Shoreview Services Report 2006 – 2015										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of Calls	240	275	171	130	271	141	101	152	181	166
MHFA Fix Up Fund/Rehab										
Loan Applications Rec'd	6	5	3	3	5	0	2	2	3	2
Loans Closed	0	3	2	1	5	0	1	1	3	1
Shoreview Home Improvement Loan										
Loan Applications Rec'd	_____				6	5	2	8	1	4
Loans Closed	_____				5	5	1	5	0	3
Ramsey County Deferred Loan										
Loan Applications Rec'd	0	2	3	1	5	1	1	4	3	5
Loans Closed	1	1	1	1	2	4	2	3	2	3
Construction Consultation Report										
Consultation Phone or Walk-in	72	123	108	71	108	65	41	117	114	67
Site Visits	58	88	67	43	78	47	28	91	80	67
Scopes & Inspections	2	2	2	3	3	0	0	4	0	1
Total SERVICES Provided	379	499	357	253	488	268	179	387	387	616

Supplemental Information

Exhibits

- A. Shoreview EDA Work Plan
- B. Shoreview EDC Work Plan