

Final Report: November 17, 2011

Economic Development Strategy and Action Plan

City of Elko New Market, Minnesota



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Introduction

The City of Elko New Market engaged Ehlers & Associates to help develop a detailed economic development strategy and action plan to guide the City's efforts to promote commercial and industrial development of all types over roughly the next 3 years (2012 – 2014).

The City believes that attempting to set and implement a strategy past 2014 would be of limited value. This deliberate emphasis on the near-term is due to the ongoing turmoil in the national and regional economies, the resulting drop-off in real estate and business development, and the constraints that both factors have placed and will likely continue to place on City resources.

In addition, the City's economic profile is already changing with new development in 2011 and 2012 (e.g. Market Village Apartments), and is expected to evolve further in the next few years. *The City Council should therefore expect to revisit this strategy and action plan as part of its annual visioning and goal-setting process, and to complete a full update at mid-decade.*

This project was funded through a Technical Assistance Planning (TAP) grant from the Scott County Community Development Agency (CDA), and the scope of work was tailored to the TAP funding parameters, the economic realities noted above, and the City's finite capacity to undertake new development activities at current staffing levels.

This report begins with a summary of our research and work with the steering committee that the City convened for this project, and of the City's key development objectives. *It then suggests strategies for building the City's commercial development capacity, identity, and partnerships.* In this report, the terms "commercial" and "development" mean all forms of private business development, unless otherwise defined.

Specific action items are suggested for each strategy, and are **highlighted in orange** throughout this report. Because of the multi-dimension approach recommended here, our recommendations are grouped by theme and not by perceived importance. For example, we do not intend for the City to work through all of the capacity items, then the identity and partnership tasks. The City's priorities in any given year (or portion thereof) will be directed by the City Council, based on its understanding of the City's near-term needs, opportunities, and resources.

Looking over the next three years, we believe it is feasible for the City to make significant progress on all three strategies, and that focusing on foundation-building action items will position Elko New Market to capture high-value commercial development.

We emphasize, however, that the City must also remain mindful of its big picture vision and be alert to development opportunities that arise in the near-term. Promoting the mostly smaller-scale developments that are most likely in the next few years will not contradict or preempt the City's evolving development plans and vision, even if they occur in non-target areas or have other characteristics not entirely compatible with the City's overall growth concept.

As such, Elko New Market should be opportunistic in exploring, and then facilitating all viable development possibilities that will add value (without major negatives) to the community, even as it lays the groundwork that will best position the City for the longer-term.

Research

Prior to and concurrent with this City development strategy-setting process, City representatives have participated actively in several Scott County Association for Leadership and Efficiency (SCALE) development planning efforts, specifically:

- The SCALE Unified Economic Development, Land Use, and Transportation Plan Charter Work Team that reported its Phase I findings in October 2010 in re the SCALE vision of providing enough employment opportunity in Scott County by 2030 to support 50% of the County's labor force;
- The SCALE Corridor Review Team that conducted a SWOT (strength, weakness, opportunity, threat) analysis in the spring of 2011 for six key commercial areas in Scott County, including the Interstate 35 / County Road 2 area of Elko New Market; and
- The SCALE Economic Development Strategy Group that issued its County-wide strategic observations and recommendations in June 2011.

The SCALE reports do an excellent job of detailing the County's comparative strengths and weaknesses, and in suggesting ways to address both. Findings of particular relevance to Elko New Market include:

- Strengths: Skilled workforce, major transportation corridors (I-35), quality of life, competitive real estate taxes, fiber optic initiative, open land available for development along major transportation corridors, sanitary sewer extension to Elko New Market.
- Weaknesses: Few large pad-ready sites, south of river perception, residents work elsewhere, no clearly-defined competitive advantage, lack of identity within metro area.
- Land near the Interstate 35 / County Road 2 interchange is highly suitable for commercial development, with generally flat to rolling topography, appropriate soils, large parcel sizes, and interested owners. Major challenges are the lack of current or planned utility infrastructure and the risk that lower-value projects will crowd out higher-value uses if the former opportunities emerge before the latter.
- County must create and promote a positive, consistent County image and identity.
- Identify and support appropriate locations for industrial uses and business parks.

- Integrate private sector input into each municipal comprehensive plan.
- Support the creation of a feasible and timely development plan for the vacant land at the I35 interchange in Elko New Market.
- Focus infrastructure planning on maximizing opportunities for job creation.
- Expedite the planning and implementation of the fiber optic backbone for development.
- Identify and promote a single point of contact at Scott County and each community for economic development inquiries and maintain relationships with existing businesses.
- Solicit the support of all Chambers of Commerce for economic development initiatives.
- Build and promote a public sector culture of customer service, timeliness, accountability, and creative solutions.

To “truth test” the SCALE-identified strengths and weaknesses, especially as they related to Elko New Market, we also conducted interviews with numerous Twin Cities-based commercial market experts (i.e. commercial real estate brokers, developers, and market researchers at Cassidy Turley, Ryan Companies, Opus Group, and Maxfield Research) to determine their:

- General familiarity with Elko New Market and the surrounding area;
- Informal analysis of City’s near and long-term development opportunities; and
- Opinions on the factors driving business location decisions in today’s market.

Many of the comments received were consistent with the SCALE findings, although several of the interviewees confessed to lacking specific knowledge of Elko New Market, its freeway interchange, and other key development attributes.

Numerous respondents offered unprompted observations that larger-scale distribution and logistics facilities were the City’s most likely near-term opportunity, especially in the vicinity of but not necessarily immediately adjacent to the Interstate 35 / County Road 2 interchange. Other common themes were:

Positives

- Freeway access and roads that “go somewhere”, to regionally-significant cities;
- Interchange(s) well-suited for distribution centers, possibly office/showroom; and
- Large tracts available for greenfield development.

Negatives

- Too far for major employment because of distances from customers and vendors;
- Too few people in the area currently to attract major retail; and
- Perception / reality that land is not ready for development.

Questions

- Private land prices;
- Public utilities: current and planned; and
- City fees and attitude / preparedness for growth.

In addition to the SCALE reports and interviews described above, Ehlers reviewed key City planning documents, including the City's 2010 business assistance policy, 2010 comprehensive plan, 2011-2015 capital improvement plan, and 2005 downtown master plan. This background research, while not summarized here, informs several of the recommended strategies and action plans described below.

Steering Committee

Throughout this process, Ehlers gathered local insights and tested strategy concepts on a steering committee that the City recruited specifically to help guide this project. The following community members served on the Committee:

- Rev. Tim Fulkerson – Faith Community Church
- Ted Kowalski – JB Woodfitter Construction Contractors
- Brian Hong – Legacy Solutions Network
- Jack Matasosky – Appro Development
- Jason Ponsonby – Mayor
- Bruce Rydeen – Cerron Properties
- Steve Thompson – Elko New Market Planning Commission
- Bob Vogel – New Market Bank
- Tom Terry – City Administrator
- Mark Nagel – Assistant City Administrator

The Committee met four times (June 27, August 17, September 29, and November 3, 2011) to discuss the types of commercial growth needed in Elko New Market, the appropriate scope of the City's participation in economic development, and what initiatives should be City priorities in the context of limited staff and financial resources. The Committee also reviewed and opined on the findings and recommendations of this report before its presentation to the City Council on November 17, 2011.

Key Development Objectives

City and SCALE plans and reports, the City Council, and Steering Committee members have articulated key goals for future commercial development in Elko New Market. Often repeated objectives include:

- City tax base and revenue diversification;
- Local employment opportunities;
- Higher quality of life via greater convenience and choice of services;
- Revitalization of downtown buildings and public spaces;
- Avoided sprawl and preserved sense of community; and
- Economic sustainability to attract future growth.

We discerned a clear, unanimous agreement that the City has a vital role to play in promoting and guiding future commercial development. Not surprisingly, though, differences in opinion emerged around the questions of (a) how effective the City can be in “moving the market”, and (b) how much financial risk the City should take to make development happen.

The second question, of risk and reward, can only be evaluated in the context of a specific development proposal and subsidy request, when all the deal factors and the City’s cost/benefit analysis are known. The first question regarding the practical limits of City participation, however, is directly relevant to this Elko New Market strategy.

Tax Base Composition

On the topic of tax base and revenue diversification, we were curious to see how Elko New Market compares to larger, more established cities with higher credit ratings and reputations for having achieved commercial growth. To that end, we selected twelve cities predominantly south and west of Interstate 494, and research:

- Taxable net tax capacity: the tax base upon which local property taxes are levied;
- Residential percentage of net tax capacity, both homestead and non-homestead; and
- Credit rating from Moody’s Investors Service and/or Standard & Poor’s.

The table below is organized by rating, and alphabetically within each rating. Not surprisingly, each of the comparison cities has a property tax capacity 4 to 32 times the size of Elko New Market’s \$4.1 million. It should be noted that tax capacity is derived from taxable market value; Elko New Market’s taxable market value, for example, is \$345.9 million.

Name	Taxable NTC as reported in the city's most recent Official Statement	Residential Percentage of Taxable NTC	Credit Rating
Bloomington	\$131.3 Million (Pay 2009)	61.9%	S&P AAA / Moody's Aaa
Eden Prairie	\$120.5 Million (Pay 2010)	64.9%	Moody's Aaa
Minnnetonka	\$92.2 Million (Pay 2010)	72.7%	Moody's Aaa
Plymouth	\$117.1 Million (Pay 2010)	66.7%	S&P AAA/ Moody's Aaa
Burnsville	\$76.0 Million (Pay 2010)	59.6%	Moody's Aa1
Eagan	\$92.3 Million (Pay 2009)	66.8%	S&P AA+ / Moody's Aa1
Savage	\$32.1 Million (Pay 2010)	68.5%	S&P AA+
Northfield	\$16.7 Million (Pay 2009)	66.6%	S&P AA
Lakeville	\$68.0 Million (Pay 2009)	78.0%	Moody's Aa2
Prior Lake	\$28.4 Million (Pay 2011)	86.3%	Moody's Aa2
Shakopee	\$43.8 Million (Pay 2010)	58.4%	Moody's Aa2
Farmington	\$16.6 Million (Pay 2011)	82.0%	S&P AA-
Elko New Market	\$4.1 Million (Pay 2011)	81.1%	Moody's A1

We were more surprised, however, to learn that a number of cities – including AAA / Aaa-rated communities like Minnetonka and Plymouth – have residential percentages of tax base that are higher than one might expect for largely developed, prosperous cities. This fact indicates that overall tax base trumps the proportion of commercial tax base as a rating factor – and is then considered along with general fund balances, debt burden, other fiscal management indicators, and resident wealth and employment levels. In short, there is “magic ratings percentage” for commercial tax base that Elko New Market might use as a guide in this regard.

Nonetheless, from reviewing these comparables as well as the rating agencies’ median values for each rating category, Elko New Market clearly must grow its tax base significantly in order to move its rating into the AA / Aa category. The rating agencies also appreciate low tax base concentration (i.e. when the top ten taxpayers, usually commercial properties, comprise less than 10% of the total tax base). *Because business property contributes proportionally more tax base than does residential property, growing a diverse commercial tax base is the most efficient way to improve both of these credit factors, and to reduce the relative tax burden on City residents.*

Getting the Fundamentals Right

At the beginning of this project, Ehlers expected that the primary purpose of this strategy would be to identify key, targeted geographic areas for commercial development and then determine the specific initiatives that would be most effective in promoting the future growth of those areas. Three areas did come into focus as nearer-term City targets:

- Interstate 35 “Freeway District” from County Road 2 to County Road 86;
- County Road 2 from Natchez Avenue to Xerxes Avenue; and
- New Market Town Center.

In addition, we identified two other areas requiring longer-term clarification as to their commercial development potential:

- Elko Town Center; and
- Intersection of County Road 2 and Texas Avenue

The top three target areas possess clear commercial, light industrial, and retail development potential, as has been described at length in City and SCALE planning documents. The one change we suggest is that **the City should plan the I35 / CR2 Interchange as a larger “freeway district” spanning both sides of Interstate 35 from County Road 2 south to the proposed future interchange at County Road 86.**

Having this broader City target area may attract greater developer attention, and help to prevent early businesses from fixating on the intersection, when a less strategically valuable site down the road may be more cost effective and will preserve the more visible intersection sites for later-stage development.

An example of “Freeway District” planning and marketing can be found in the City of Columbus, situated at the northern confluence of I35-West and I35-East in eastern Anoka County. Columbus has focused its commercial development efforts on its own Interstate 35 freeway district, as can be seen in the Economic Development section of the City’s website: www.columbus.mn.us.

We also recommend that the City proceed promptly with its proposed engineering study that will determine the options for and estimated costs of establishing commercial-grade City water and sanitary sewer service in the Freeway District.

Our most significant recommendation and change from the original project intent, however, is that before focusing its energies on specific target areas, the City will find the greatest advantage in getting the fundamentals right. By fundamentals, we mean efforts with tangible outcomes such as revamping the City’s comprehensive plan and website as well as “softer” initiatives such as building a pro-growth identity for Elko New Market and instilling an ethos of responsiveness and commitment to quality development among City staff and officials.

Although we suggest that the City focus its attention on preparing for commercial development, we do not see this short-term practicality coming at the expense of the City's longer-range goals, including those stated earlier:

- City tax base and revenue diversification;
- Local employment opportunities;
- Higher quality of life via greater convenience and choice of services;
- Revitalization of downtown buildings and public spaces;
- Avoided sprawl and preserved sense of community; and
- Economic sustainability to attract future growth.

Instead, the City should remain mindful of its big picture objectives and regularly evaluate whether its approach to the fundamentals is consistent with the long-term vision. Similarly, we do not suggest that the City use this suggested emphasis on getting ready as a reason to ignore development opportunities that arise in the near-term.

Barring an extraordinary, once-in-a-lifetime development, it is most likely that Elko New Market will see mostly small to medium-sized commercial projects over the next few years. Promoting these smaller-scale developments will not contradict or preempt the City's evolving development plans and vision, even if they occur in non-target areas or have other characteristics not entirely compatible with the City's overall growth concept.

As such, Elko New Market should be opportunistic in exploring, and then facilitating all viable development possibilities that will add value (without major negatives) to the community, even as it lays the groundwork that will best position the City for the longer-term.

Ehlers' recommended strategies over the next 3 years are grouped into three "building blocks":

- Build Capacity
- Build Identity
- Build Partnerships

We believe the City has both the resources and need to work on several tracks simultaneously, that each of the three efforts listed above is crucial to the City's comprehensive preparation, and that any of them could be the catalyst responsible for a future development opportunity.

Accordingly, the City might envision its economic development strategy as a Gantt chart with horizontal bars representing the three simultaneous strategies and their respective sub-strategies.

The remainder of this report describes our recommended strategies, with specific action items interspersed throughout. The action items, including the two items highlighted earlier in this section, are also summarized at the conclusion of this report.

Build Capacity

The City's primary selling point with developers and business owners should be your cooperative, responsive, innovative, and transparent development process. A successful process is rooted in well-defined City plans, policies, and practices. Preparing the City to attract and win commercial development is so fundamental, and connected to the City's stated philosophy of Community Oriented Government, that this effort will involve almost every aspect of City Hall. Specific items that should be addressed include:

Plans

- Land Use Planning: **The City's top priority should be to amend its comprehensive plan and commercial zoning** to reconcile the previously separate and competing Elko and New Market land uses into a unified Citywide plan. The comprehensive plan and zoning amendments should also be informed by the City's need to evolve its large amount of commercially-zoned Class III land (unplatted, no utilities) to Class II (platted, with utility plans) and eventually to Class I (utilities installed, "shovel ready").
- Infrastructure Planning: **The City should ask now and on a periodic basis whether its capital improvement plan includes the infrastructure projects that are needed to attract commercial development**, including the aforementioned utility extensions and/or innovative stand-alone solutions for the Freeway District. We expect that determining how to pay for these projects in the near and long terms will be challenging but a strategically updated CIP moves you forward.

Policies

- Standard Protocols: The City adopted a business assistance policy last year that describes how it will consider requests for tax increment financing and other incentives. **The City has not yet utilized its new policy but should be consistent and equitable in its application to all forms of proposed development.**
- **The City should explore how it might simplify its policies for consideration of zoning/development proposals** – including by the Planning Commission – without diminishing the public purpose underpinning such policies.

Practices

- Staff Capacity: The City runs well today on a lean staff but that staff capacity may not be sufficient when major and/or multiple development opportunities arise. The City Administrator currently functions as both facilitator and regulator, which we believe limits his effectiveness in each role.

The City should transition the Administrator's role to that of a "development concierge", and spin off the day-to-day planning/zoning regulatory duties (i.e.

beyond the existing scope of work with Northwest Associated Consultants) as future circumstances dictate. Because the Administrator possesses the authority to represent the City in development discussions and a comprehensive knowledge of City priorities, budget parameters, and other factors, we suggest this approach over hiring a single-focus economic development director.

- **Build Trust and Confidence:** Developers and business owners seek returns on investment in exchange for accepting risks that construction costs and financing rates may escalate, and the market for their product may deteriorate. They should not view doing business with the City as another type of risk. **The City should strive to build a practice that demonstrates commitment, competence, and due haste in the development review and approval process.**

As part of this effort, the City should create a “development handbook” that explains the City’s development policies and procedures in plain English. Scott County’s online “Overview of the Development Process” is user-friendly and comprehensive, and would be a good starting place for the City’s own guide.

- **Cost-Effective Service:** Above all, **the City should prove it is a great place to do business by continuing to provide quality municipal services at reasonable property tax and utility rates.** By projecting stability, civility, professionalism, and accountability at all levels, Elko New Market will stand to surpass communities that possess reputations for dysfunction and discontent.

Build Identity

In our discussions of the City’s development identity, several Steering Committee members advocated for presenting Elko New Market as a strategically placed “southern gateway” to the Twin Cities metro area, ideally situated right before one hits the sprawl, congestion, and general lack of small-town community to the north.

It should be noted that Lakeville already bills itself as the “southern gateway to the Twin Cities” on its website homepage, stating that it “provides the foundation for healthy neighborhoods and prosperous businesses by investing in high-quality and efficient services, effective partnerships, and citizen participation.” (<http://www.ci.lakeville.mn.us/>) Lakeville’s claim notwithstanding, Elko New Market is the first city that a northbound I35 traveler reaches in the seven-county metro area, and therefore should feel free to adopt the same imagery – but with the addition of your own unique, “can do” attitude and sincere commitment to commercial development.

Lakeville is by no means the City’s only competition for business growth, but as the largest city in the area, it is an obvious point of comparison and Lakeville strives to present a sophisticated image similar to those of Burnsville, Bloomington, and other larger cities. In contrast, Elko New Market is an upstart entrepreneur working to build a more diversified and sustainable economy.

The market knows Elko New Market is not Lakeville and it would be inauthentic and ineffective to pretend you are. **Instead, the City can gain traction with a can-do, “what you see is what you get” image that conveys your interest in the mutual benefit of successful development.**

Simultaneous with your positive image enhancers, the City should address its real and perceived negatives. To refute the idea that Elko New Market is too far from urban amenities, you could tout your proximity to Lakeville’s shopping and dining options, the Holiday Inn, the Airlake Airport, and other resources important to business owners, employees, customers and vendors.

The City should also work to dispel the false notion that its property taxes are substantially higher than those of surrounding communities. The City’s total tax capacity rate for Pay 2011 is 113 – 116%, depending on the specific parcel. The tax rate ranges for surrounding cities are:

- Savage: 110 – 124%
- Lakeville: 99 – 125%
- Lonsdale: 113-120%

Presenting an accurate, layman-focused property tax analysis will benefit your communication with prospective developers / business owners and current City taxpayers. **In addition, the City should explore ways in which it can illustrate the cost-benefit dynamic and return on investment (ROI) that Elko New Market will gain from future development.** Quantitative analysis will help the City and its allies make the public case for growth generally, and will help the Council make better-informed decisions on specific development proposals.

And finally, **the City and the Elko New Market Chamber should adopt the same or at least very similar logos and color / font schemes for their websites and materials.** Currently, the City uses:



While the Chamber uses two very different logos on its website:



We are not branding consultants but believe the City's "prairie grass and stream" image is contemporary and unique. It also conveys attractive ideas of (pioneer) entrepreneurship, open space, freedom, and environmental sustainability.

The gateway image is easily understood and appropriate to the City's location but has been adopted by others. To counter this "dilution", **the City should build on the gateway concept with its own personality and can-do attitude**, and with consistent branding to its various audiences.

Build Partnerships

The City is fortunate in that it is not starting its economic development efforts from scratch, and that it is able to build upon the past, present and future efforts of its partners at Scott County, the Scott County CDA, SCALE, and the Elko New Market Chamber of Commerce. As a small, growing city, **Elko New Market should take every opportunity to nurture alliances, ensure that your efforts align with those of your bigger partners, and leverage their initiatives to your greatest possible benefit and synergy.**

"Guerilla marketing" is a popular concept that fits consumer products better than municipal development but the idea of an alert and creative opportunist who uses the tools around him is apt for how the City should approach the reality of its limited development resources.

For example, Scott County CDA has engaged Maxfield Research to conduct a comprehensive County-wide housing and commercial-industrial assessment, in which Maxfield will evaluate available land, identify which industry sectors are most likely to be drawn to those parcels, and forecast employment and wage trends. **The City should access its relationship with the CDA to ensure that Maxfield covers the topics of greatest relevance to Elko New Market.**

In addition, Scott County has enormous influence over the City's future development because of its jurisdiction over County Road 2 and how adjoining properties may access the road, and its regulation of various other planning and environmental matters. **The City should share its economic development strategy (and future major updates) with County and CDA officials and discuss how the City and County / CDA might partner and pool resources** more effectively to advance your shared interest in high-value, sustainable development and redevelopment.

Further, the growing membership of **the Elko New Market Chamber of Commerce will be an invaluable asset in helping the City communicate its development goals**, correct misinformation about projects, and build public trust. Noticeable change almost always generates some degree of opposition and having respected business people from the community making the case for growth can help to diffuse tensions. Conversely, Chamber members can also provide feedback on the City's development efforts, and ideas for making City regulation less onerous.

We also believe the City should ask the Chamber to serve as its “external conscious” monitoring the City’s implementation and adaptation of this strategy and action plan over time. Even though the plan is deliberately flexible, its success requires ongoing accountability and review. The City can provide some of this benchmarking through its annual visioning and goal-setting process, but the Chamber should assist the City by giving feedback from its vantage point on the front lines.

And finally, our interviews with local real estate market experts illustrate how eager most people are to share their knowledge and to build their own business networks. **The City Administrator and Mayor should schedule periodic meetings with commercial brokers, developers, and/or other market participants** to share the City’s story and get input on what Elko New Market could be doing more effectively.

The “Build Partnerships” strategy recognizes that opportunities often arrive indirectly through networks and allies, and not through a community’s solitary efforts. *The City will succeed in spreading the widest possible net and communicating its pro-growth identity by adopting an opportunistic, entrepreneurial approach that welcomes the help of its partners.*

Bringing It Together: The City Website

The City’s website has the potential to become a platform for the City’s enhanced development capacity, its stronger identity, and its more effective leverage of partnerships. **The City should consider the following ways to increase its online stature among potential business audiences:**

- Add comprehensive information for businesses considering locating in Elko New Market, such as zoning maps, tax and utility rates, development fees, and the City’s business assistance policy, as well as a development handbook that presents the City approval process from start to finish;
- Add links to real estate locator sites such as www.Metromsp.org, www.mncar.org, and www.mnprospector.com;
- Like many cities have done recently, the City should consider changing its website URL from www.ci.enm.mn.us to www.elkonewmarket.com or a similar, businesslike address;
- Create a more robust business focus to balance the existing emphasis on residential interests. For example, the City’s homepage greets visitors with “the City’s small-town feel combined with its convenient location to many metro area amenities, attractions, recreational opportunities, shopping centers, and entertainment venues, makes Elko New Market an attractive place to live, visit, and do business.” This is a fine statement, but the City should also describe factors that matter to business, and restate the community as an attractive place to “live, work, and play”;

- Allocate funds in late 2011 and early 2012 to hire a marketing / web design professional to begin implementing these and other changes; and
- Be aware that the City's identity is hindered presently by the fact that many search websites still treat Elko and New Market as separate cities. Typing "Elko New Market MN" into Mapquest, for instance, yields "Elko near New Market MN". Even though corrections are underway and more will occur over time, online inaccuracies will persist for some time. While the City cannot control this, it can ensure that its own materials present a clear, unified message about the City's development efforts and opportunities.

Other Development Priorities

We believe that our recommended strategies to build capacity, identity, and relationships offer plenty for the City to work through over the next few years, especially since Elko New Market can expect to receive several actual development proposals during that time. Nonetheless, we realize the City has other important, long-range priorities that could easily demand attention.

For example, the City is positioned to build on its Downtown Master Plan, and may have the opportunity to acquire properties in the New Market Town Center at historically low prices. The fact that downtown redevelopment is not a recommendation here does not mean the City should ignore opportunities to advance this goal. Instead, our focus on planning and preparation simply recognizes that the City must prioritize its resources in 2012 through 2014, and seek to achieve the maximum benefit with its current staff and fiscal capacities.

No matter how large and prosperous the City becomes, resources will be limited and so **the City should conduct an annual development policy and practices review** asking whether any priorities should be shifted up or down on the list to fit the current circumstances.

We also do not believe the City should expend much effort creating marketing materials. Developers and brokers tell us that accurate data and responsive local officials trump glossy brochures, and while it is important to express Elko New Market's qualities, the City's actions will speak louder than words.

Finally, we purposefully did not address financial incentives other than in referencing the City's business assistance policy. The City should expect to receive subsidy requests and incentives may be entirely appropriate and necessary to get challenging deals done. Elko New Market will do far more to promote itself, however, by addressing the fundamentals than by abstractly considering whether it would grant assistance to certain types of development. The City's existing policy contains sound guidance for its use of incentives, while maintaining flexibility to adjust to new circumstances.

Summary of Action Items

- Plan for the I35 / CR2 Interchange as a “freeway district” on both sides of Interstate 35 from County Road 2 south to the proposed future interchange at County Road 86.
- Complete the engineering study that will determine the options for and estimated costs of establishing City water and sanitary sewer service in the Freeway District.
- *Build capacity* through practices rooted in Community Oriented Government:
 - Amend the City’s comprehensive plan and commercial zoning to reconcile previously separate Elko and New Market land uses into a united plan designed for commercial growth across the City.
 - Revise the City’s capital improvement plan to include the infrastructure projects that are needed to attract commercial development, and explore financing options that balance the City’s near and long-term interests.
 - Be consistent and equitable in the application of the City’s business assistance policy, and seek ways to streamline Planning Commission processes.
 - Transition the City Administrator to a “development concierge” role, and hire a staff planner or outsource planning/zoning work as needed.
 - Create trust and confidence with developers and business owners by building a practice of protecting the public interest, while also demonstrating commitment, competence and due haste in the development process.
 - Use Scott County’s “Overview of the Development Process” as a starting place for its own Elko New Market-specific “development handbook”.
 - Continue to provide quality service at reasonable property tax and utility rates, and show stability, civility, professionalism, and accountability at all levels.
- *Build Identity* as a strategically placed “southern gateway” to the Twin Cities metropolitan area.
 - Customize the gateway image by emphasizing the City’s own unique, small-town “can do” attitude and commitment to building a diversified, sustainable economy.
 - Address the City’s real and perceived negatives, especially the false notion that its property taxes are substantially higher than those of surrounding communities.

- Standardize the logos and color / font schemes used by the City and the Elko New Market Chamber of Commerce.
- *Build partnerships* and leverage the resources and initiatives of the City's allies at Scott County, SCALE, and the Elko New Market Chamber of Commerce.
 - Seek to ensure the pending Scott County CDA – Maxfield Research study includes the topics and data relevant to Elko New Market.
 - Share the City's economic development strategy with County officials and discuss how both you might work together more effectively to promote shared interests.
 - Utilize the Chamber in communicating development goals and seek feedback on the City's development efforts, and ideas for making City regulation less onerous.
 - Schedule periodic meetings with commercial brokers, developers, and/or other market participants to share the City's story and get input on what Elko New Market could be doing more effectively to position itself for growth.
- *Refocus the City's website* to become a platform for the City's enhanced development capacity, its stronger identity, and its more effective leverage of partnerships.
 - Add comprehensive information for businesses considering locating in Elko New Market, such as zoning maps, tax and utility rates, development fees, and the City's business assistance policy, as well as a City development handbook.
 - Add links to real estate locator sites such as Metromsp.org, Mncar.org, and mnprospector.com;
 - Consider changing the City's website URL from www.ci.enm.mn.us to www.elkonewmarket.com or a similar, more businesslike address;
 - Balance the existing emphasis on residential interests with a stronger business focus.
 - Allocate funds in late 2011 and early 2012 to hire a marketing / web design professional to implement these changes.
 - Be aware that the City's identity is hindered by the fact that many search websites still treat Elko and New Market as separate cities, and ensure that the City's materials present a clear message about the City's efforts and opportunities.
- Conduct an annual development policy and practices review, asking whether the City should shift any priorities up or down on the list to fit the current circumstances.