



2014 Economic Development Strategic Plan

***Securing Woodbury's Future as
a Premier Business Destination***

**Prepared by the Economic Development Commission
and its Business Development Committee**

Introduction

Economic conditions have changed significantly since the 2010 Economic Development Strategic Plan (the Plan) and it is important for the City of Woodbury to update its economic development strategies in recognition of increasing growth in the commercial sector.

The City of Woodbury needs to be aware of and adapt to the changing needs of the business community and periodically review and revise its strategies and tactics. This Plan sets forth an ambitious, yet achievable, economic development agenda for the City of Woodbury over the next three to four years. The Plan identifies two specific goals which build upon the community's unique strengths and distinct character. Each goal includes three action strategies which factor into the economic prosperity and enhanced vitality of Woodbury's business climate. The Plan also articulates a set of measurable actions to facilitate continued growth and new opportunities. The Plan is not an exhaustive outline of the city's economic development agenda, but rather is intended to provide guidance and direction for future economic development efforts as well as resource allocation.

Historical and Planning Context

Woodbury's close proximity to the interstate system has proven highly desirable for those seeking a suburban setting that is accessible to urban core job centers and amenities as well as the MSP International Airport. The city's geographic setting also provides local businesses with an excellent means of distributing goods and services, as well as access to both customers and employees.

Woodbury has experienced significant growth since its incorporation in 1967. With close to 70,000 residents, Woodbury is the ninth largest city in Minnesota. The City of Woodbury has been very successful in developing a strong commercial tax base and has a sound history of financial management including a AAA bond rating since 2009 while providing an exceptional level of municipal services to a growing population. Woodbury has an enviable array of restaurants, destination retail, and professional services which serve not only city residents and employees, but attract diners, consumers and clients from a broader regional market. However, there has been a long-term and consistent desire to increase the level of non-retail development in our community, to ensure that our residents have quality "places to work" and to balance, strengthen and diversify our property tax base. Additionally, a key component to Woodbury's quality of life is our strong education system which is critical to the long-term success of the community.

This plan recognizes that employment has stabilized coming out of the Great Recession and a new level of commercial and residential construction suggests a greater feeling of economic confidence. Despite the uncertainties of the economic recovery, the timing is perfect to assess, project and plan for the future. This new plan is critical to the continued health and prosperity of the city not only for the near future, but also for decades to come.

In addition to providing strategic guidance, the plan is also one of the implementation tools of the city's 2030 Comprehensive Plan. The Comprehensive Plan provides broad policy guidance for the city and includes policies, goals and calculations of land use and transportation needs for the city. The Comprehensive Plan also identifies the general areas in the community guided for future residential development, places to shop, places to

work, and parks, recreation and open space. Economic development is an important component of the Comprehensive Plan, not only because it helps expand and diversify the property tax base, but it also expands employment opportunities and creates more choices for residents to both live and work in Woodbury, creating a more sustainable community. Looking to the future, the city's Comprehensive Plan is scheduled to be updated in 2018. As such, this plan is designed to serve as a short-term plan that will serve as a bridge to the future comprehensive planning process.

Looking ahead, the Comprehensive Plan directly interrelates with the plan in several ways including:

- Increasing awareness of Woodbury as a premier business location will be critical, not to only strengthen existing businesses, but also to diversify the employment base through the attraction of additional businesses. The Medical Campus District in particular is identified as a key opportunity and catalyst for new development. An action strategy of promoting Woodbury as a health care business destination is included below.
- As Woodbury ages, there will be a greater need to monitor the condition of existing commercial buildings and facilities, and to promote maintenance and encourage reinvestment. To fully maximize development potential an action strategy to encourage economic reinvestment and redevelopment is included below.
- Infrastructure development, including improvements to the transportation system and technology, is integral to economic development. An action strategy to optimize the capacity and flexibility of our infrastructure to serve business needs is included below.

Process

The Economic Development Commission (EDC) and its Business Development Committee (BDC) initiated the strategic planning process in February of 2014 in response to the City Council identifying the Plan as one of the city's strategic issues.

The planning process began with the review and analysis of previous Plans. The EDC and BDC members built off of this review with

- a business owner panel discussion;
- a survey of Woodbury Area Chamber of Commerce members;
- a SWOT analysis;
- a presentation of economic and employment data from the University of Minnesota Extension Service; and
- an overview of economic development tools that are available to the city.

With this information in hand, the EDC and BDC drafted the strategic goals and action strategies for the Plan which were presented to the City Council seated as the Economic Development Authority on June 11, 2014. The next several months were spent evaluating metrics and tasks as well as drafting final language of the plan prior to its formal adoption by the City Council on October 8, 2014.

Strategic Goals

This Plan commits to the long-term future of the city, but has been deliberately focused toward a three- to five-year timeframe. To focus maximum effort and value on Woodbury's economic development resources and priorities, this Plan identifies two primary strategic goals:

I. Promote woodbury as a community of choice

Increase the impact of the city's business retention and attraction efforts in order to secure new business investment and foster growth for our existing businesses.

Action Strategy: Increase awareness of Woodbury as a premier business destination.

- Develop and promote key messages regarding the economic development potential of Woodbury:
 - Healthy business climate
 - Health care business destination
 - Growing financial and retail sectors
 - Convenient location
 - Easy access to major freeways and MSP Airport
 - East Metro hub
 - Highly educated workforce
 - Close proximity to 3M and other major businesses
 - Excellent educational choices
 - Growing residential base
 - Minnesota's ninth largest city
 - Numerous and consistent national recognition
 - Regional recreation amenities
- Leverage visitor and consumer impressions of Woodbury as they experience our business amenities.
- Enhance Woodbury's visibility and potential to attract business investment through both internal and external communications and marketing initiatives.
 - Coordinate and align social media, website, newsletters, press releases, etc.

Action Strategy: Stimulate business investment.

- Build and nurture relationships with targeted businesses, reinforcing the positive perceptions and collectively addressing our challenges to ensure Woodbury as a premier business destination.
 - Advance the Woodbury HealthCore initiative to a new stage of development.
 - Continue to promote corporate office and finance as targeted business sectors.
 - Facilitate and encourage the growth of small and entrepreneurial businesses.
- Integrate prospecting efforts with Greater MSP and other stakeholders to reach a broader audience for potential business investment and to increase awareness of Woodbury.
 - Utilize interactive and collaborative proposals to respond to requests for information regarding development opportunities.

Action Strategy: Foster business retention and growth of existing businesses.

- Enhance business outreach program to ensure that new businesses, as well as those that are poised for growth or facing contraction, are included in the program.
 - Identify and anticipate needs of existing businesses.
 - Establish and/or strengthen relationships.
 - Recognize trends or issues and ensure follow-up is conducted.
 - Identify ways to welcome new businesses to Woodbury.

II. Maximize development potential

Boost Woodbury's competitive edge by assuring site readiness, optimizing redevelopment potential and facilitating improvements to infrastructure.

Action Strategy: Enhance site readiness for development.

- Work with property owners and brokers to understand the unique financial and physical complexities of vacant land and underutilized buildings.
- Evaluate the fiscal implications of facilitating development through investment in site readiness.
- Maintain a current database of available commercial property within the city and more fully utilize the city's website to aide in the recruitment of new businesses to the community.
- Work with utility providers to provide optimal and sustainable service.

Action Strategy: Encourage economic reinvestment and redevelopment.

- Capitalize on Woodbury's commitment to quality design and development.
- Recognize businesses for their reinvestment through the "Business Town Meeting", business outreach and other means.
- Establish early indicators of property maintenance decline and utilize appropriate code enforcement response to minimize negative impacts.
- Evaluate policies, regulations and tools to encourage timely investment and redevelopment.
- Become a resource on energy efficiency and water conservation information and programs for businesses to improve their economic competitiveness.

Action Strategy: Optimize the capacity and flexibility of our infrastructure to serve business needs.

- Utilize a context-sensitive solution-based approach to infrastructure sizing and design decisions.
- Identify and prioritize infrastructure improvements to prepare for and accommodate economic growth.
- Work with the Minnesota Department of Transportation, Washington County, the Gateway Corridor Commission, Metro Transit and other stakeholders to improve transportation and transit systems.
- Assure business needs are met by providing quality water, sewer and telecommunications infrastructure.

Implementation, Initial Steps and Metrics

This 2014 Plan positions Woodbury for near-term and long-term success. It identifies specific implementation strategies and actions which should be examined and evaluated on a regular basis to determine effectiveness and to prioritize limited city and community resources. Implementation will require ongoing coordination of municipal actions and investments to achieve the goals of the Plan.

The years ahead will continue to include rapid and dramatic changes in technology and business practices. Ideally, this Plan will build a strong base and solid foundation for future Plans. As such it is important that Woodbury monitor progress against current goals, and as new data becomes available reconsider the appropriateness of the previously established goals and action steps. Implementation of the Plan will also require cooperation and coordination with other city departments, Washington County, other municipalities, agencies and organizations. These ongoing partnerships will be essential to successful implementation of the Plan.

Below are two initial steps and four metrics that will be used to gauge the ongoing success of the Plan. The initial steps may transition into metrics depending on their outcomes.

Initial Steps

1. Further refine the city's business outreach strategy. Strong relationships are critical but difficult to measure. As the business outreach strategy moves forward in time, the city needs to determine how best to reach out to new businesses while continuing to receive input from existing businesses.
2. Identify vacant commercial/industrial land to streamline removal of development barriers. Removal of development barriers may lead to future business growth and/or expansion without reliance on business subsidies or economic development financing tools.

Metrics

1. Collate and analyze data from the Quarterly Census of Employment and Wages tracking the quantity of business enterprises, jobs and average weekly wages in Woodbury along with the location quotients relative to the seven-county Minneapolis-St. Paul region in aggregate as well as for the following industrial sectors and sub-sectors:
 - Educational Services
 - Financial Activities
 - Health Care and Social Assistance
 - Legal Services
 - Professional and Business Services
 - Retail Trade
2. Track the quantity, industry sector and location of new businesses that open in Woodbury.
3. Track the quantity of business proposals submitted by economic development staff and collate the context and opportunities that these proposals represented or reacted to.
4. Evaluate the quantity and location of commercial/industrial building permits issued and the corresponding dollar amount of commercial/industrial redevelopment, reinvestment and new investment activity to occur in the city.

2014 Economic Development Strategic Plan Key Participants

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