

CHAPTER 7: ECONOMIC DEVELOPMENT PLAN

The Economic Development Plan describes the City of Savage's efforts to plan and implement economic development in response to market changes, demographics and other changes experienced by cities as they go through their "life cycle."

Up until the mid-1990s, the City of Savage spent considerable time managing residential development and ensuring the provision of adequate City services. Recognizing the need to broaden the community's tax base, the City engaged in the development of a strategic Economic Development Plan. Annually, this plan is reviewed and modified to reflect emerging opportunities.

ECONOMIC DEVELOPMENT ORGANIZATIONAL STRUCTURE

In anticipation of new economic development growth within the community, the Savage City Council established an Economic Development Commission in 1995. This action led to the creation of a full-time Economic Development Director position in the summer of 1997. The position was eliminated in 2005 and the work tasks associated with economic development programming were split between the Planning Manager and the Assistant City Administrator. The Economic Development Commission and City staff work together to attract new businesses to the community, retain existing retail businesses, assist with business expansions within the city, and rehabilitate and/or redevelop blighted areas.

ECONOMIC DEVELOPMENT COMMISSION

The seven-member Economic Development Commission, appointed by the City Council, advises the City Council and Economic Development Authority on all matters relating to the economic development of the community. The Commission was created specifically to support the efforts in pursuit of the following economic development goals:

- Recruitment of new businesses and industry
- Retention and expansion of existing businesses and industry
- Diversification of the community's economy
- Job creation
- Increase community tax base

- Planning and coordination of the community's economic development resources and efforts

The Commission is also responsible for developing objectives and work tasks that are consistent with the Envision Savage Guiding Principles adopted the City Council in 2005. The guiding principles frame the basis for the Economic Development Commission work plan.

ECONOMIC DEVELOPMENT AUTHORITY

The Savage City Council authorized the creation of an Economic Development Authority in June 1995, consistent with the powers conferred by Minnesota Statutes, Section 469.090 to 469.108. The purpose of the Authority is to coordinate and administer economic development and redevelopment and redevelopment programs of the City. The EDA is governed by a Board of Commissioners that is composed of the Mayor and members of the City Council.

FIVE-YEAR WORK PLAN

Savage's excellent geographical location, quality education system, and natural resource amenities have led to significant resident growth over the last twenty years. This residential base, as well as growth in nearby communities, has played an instrumental role in facilitating a significant increase in commercial/industrial growth over the last decade.

Over the next decade, emphasis will be placed on developing innovative strategies to support the continued rehabilitation of the TH 13/TH 101 corridor. Several other large tracts will require the city's attention as the property owners pursue development or redevelopment. The parcels include the following:

- Allen/Van Zee parcel (remaining 5 acres) on the northwest corner of County Road 42 and Dakota Avenue
- Bohn parcels (125 acres) north of Dakota Avenue and McColl Drive
- The Continental Machines parcels (23.5 acres) located at 123rd Street and Quentin Avenue.
- Loftus parcel (11.6 acres) on the northwest corner of County Road 42 and County Road 27.

The City of Savage is committed to the redevelopment of sites within the community that have unique development considerations. These conditions may include one or more of the following development constraints: contamination, blight, tax forfeited

parcels, areas experiencing declining property values, polluted sites, poor soil conditions, and any other categories of underutilized land where there is a clear public purpose in reuse and/or redevelopment.

Key factors to be evaluated by the City prior to engaging in redevelopment or revitalization efforts include the following:

- Creation and location of jobs
- Market demand
- Need for recreation or open space
- Cost of redevelopment relative to anticipated community benefit
- Responsiveness to changing demographic and market forces
- Improvement or traffic circulation, access, and/or goods and pedestrian movement
- Improved public safety measures
- Ability to establish partnerships with other jurisdictions, property owners or business prospects that will result in meeting community needs, cost savings and/or enhanced tax base.

To assist in providing direction for the Economic Development activities of the city, a five-year work plan has been developed. The plan outlines specific objectives that are intended to serve as a guide in promoting the economic goals and envision Savage guiding principles. The five year work plan is found in the Appendix of this chapter.

DEVELOPMENT INCENTIVES

The City of Savage supports the use of public financing assistance in the form of tax increment financing only in those cases where development costs have been adversely impacted as a result of poor soil conditions, pollution or to eliminate blight. The City also supports financing assistance in accordance with the provisions set forth in State Statute providing for Tax Abatement.

STATISTICAL INFORMATION

The Appendix also illustrates the socioeconomic and growth management statistics from 2009 to 2040 and includes the following statistics.

- Population
- Number of Jobs
- Estimated Median Income
- Total Number of Single Family Dwelling Units

- Total Number of Permits Issued for Single Family Dwellings
- Value of Single Family Permits Issued
- Median Single Family Home Permit Value
- Total Number of Commercial/Industrial Units
- Total Number of Permits Issued for Commercial/Industrial
- Value of Commercial/Industrial Permits Issued