

**Unapproved
Minnetonka Economic Development Advisory Commission
Minutes**

Dec. 9, 2021

1. Call to Order

Johnston called the meeting to order at 6 p.m.

2. Roll Call

EDAC commissioners Ann Duginske Cibulka, Jay Hromatka, Lee Jacobsohn, Melissa Johnston and Steven Tyacke were present. Maram Falk and Charlie Yunker were absent.

Staff present: Community Development Director Julie Wischnack, Economic Development and Housing Manager Alisha Gray and Community Development Coordinator Rob Hanson.

Councilmember Deb Calvert was present.

3. Approval of EDAC Nov. 4, 2021 Meeting Minutes

Hromatka motioned, Tyacke seconded the motion to approve the Nov. 4, 2021 meeting minutes as submitted. Duginske Cibulka, Hromatka, Jacobsohn, Johnston, and Tyacke voted yes. Falk and Yunker were absent. Motion passed.

4. Business Survey Results

Hanson provided the staff report.

William SaintAmour, of Cobolt Community Research, provided the results of the business survey. He stated that:

- Minnetonka scored very well. The city's performance was above other public-sector benchmarks and consistent with private sector benchmarks.
- Respondents linked business satisfaction with a collaborative environment, business space availability and community attributes.
- Response rates were solid, but could be improved with more outreach mechanisms.
- Businesses reported liking Minnetonka's location, demographics and feeling of safety.
- Respondents listed that their main concerns are taxes, water supply, COVID, road repair and power outages.
- Approximately 46 percent of respondents have employees who telecommute and most do not expect telecommuting to affect the need for business space.

- The majority of respondents expect space needs to stay the same or grow along with employment levels with 60 percent reporting that their amount of business has stayed the same or is doing better since COVID.
- Respondents identified the most important current programs to be workforce development to help find employees and COVID emergency assistance funds.
- Respondents identified the most beneficial future services that the city could provide to be hosting social events; explaining grant and loan information; providing safety workshops; and organizing job fairs.
- Respondents identified the top environmental and sustainability issues to be reducing waste; encouraging recycling and composting; protecting lakes, creeks, and wetlands; and maintaining drinking-water quality.
- Respondents stated that they chose to locate their business in Minnetonka because of the community's low crime rate, high income and central location.
- Respondents identified Minnetonka's attributes to be quality of life, schools and safety.
- Respondents stated that Minnetonka lacks an available skilled workforce and affordable, quality child care.
- Fifty-four percent of the respondents have no employees who telecommute. Of those who are telecommuting, 30 percent expect to continue doing so in the long term.
- Most employees drive a vehicle to work. Twenty percent ride a bike.
- Business owners would like the city to fix potholes, prevent power outages, provide high-speed internet and recycling options, increase the number of bus routes, not have so many street improvement projects being done at the same time and add light rail.
- Respondents would like the electrical grid upgraded, the quality of the city drinking water protected and cost of utilities reduced.
- Respondents liked the variety of housing options, but the availability of affordable housing was ranked as low.
- The survey shows that the amount of quality and available business spaces rated well, but the affordability of business spaces was rated low. The affordability of warehouse space also rated low.
- Respondents rated Minnetonka high in regard to welcoming businesses.
- Respondents would like to see more high-speed fiber optic options; more police presence in the evenings; more affordable housing and mass transportation; and improved internet safety and road conditions.
- Respondents expect their employment levels to remain the same or increase in the next two years.
- Understanding COVID emergency assistance programs and finding employees were listed as the most important services that the city could provide.
- Respondents would like future city services to include hosting social events; providing education to understand grant and loan programs; and providing training done by police and fire personnel.

- Respondents prefer to receive information by email followed by US mail, the city website, and then the business newsletter.
- Respondents reported belonging to the Chamber of Commerce, Lions Club, Rotary, and MN Commercial Association of Realtors.
- Business owners would like the city to provide incentives to attract workers.
- Closing a perception gap can be done by outreach and education.
- The five steps to improve performance and outcomes are measuring the community's experiences, meeting with small groups, expanding the conversation, providing staff with the skills to implement actions, executing the actions and measuring again to ensure progress was made.

Tyacke asked if 150 responses out of 4,000 contacts was a good enough cross representation of businesses to base the survey's conclusions. Mr. SaintAmour said that the response is a decent base and is enough to be statistical and somewhat representative of large groups. He was more cautious about some of the small groups with asterisks, but the results do provide what the landscape looks like. A lot of surveys were undeliverable, so the businesses had already closed completely or were temporarily closed. The response level has been similar in other cities.

Hromatka asked if Mr. SaintAmour has suggestions on how to increase the response rate. Mr. SaintAmour recommended that Minnetonka create its own list of businesses because a lot of spaces are having a lot of turnover. Communication content should focus on the concerns and issues identified by survey respondents. Steps should be taken to fix a concern and that action should be reported to the respondents to build credibility going forward.

Calvert noted that COVID impacts different businesses, such as restaurants, differently. Mr. SaintAmour agreed. He stated that the survey distinguished whether the business rents or owns; its type of use; the size of the business; its number of employees; and the industry type. Wischnack noted that the biggest group that provided responses was received from small business owners. The most common type of use that responded to the survey was services; second was retail and trade; third was healthcare; and fourth was real estate.

Hromatka suggested providing more education to property owners to show how small a percentage of their property taxes actually goes to the city.

Hromatka noted that residents were not happy with construction occurring on Minnetonka Blvd., Hwy 7 and Excelsior Blvd. at the same time, but none of those streets are city streets and the projects were done by Hennepin County and the State of Minnesota. It might be helpful to educate residents on which agency has control over which roadways in Minnetonka. Mr. SaintAmour agreed that most business owners do not know who owns the road in front of their business.

Johnston was impressed with the ideas provided at the end of the report on how to create a collaborative environment. It got her thinking about Minnetonka providing an incentive to attract workers and organizing social events for business owners and managers.

Tyacke noted that the Chamber of Commerce would be better equipped to hold social events for business owners and managers. He agreed with Hromatka that Minnetonka does not have control over scheduling county and state road improvement projects. He wondered how Minnetonka could help attract workers. He suggested meeting with the Chamber of Commerce and trade groups to discuss how the city could help attract workers.

Hromatka stated that the affordability of housing definitely makes an impact on the number of workers who could afford to live within commuting distance now and in the future. The EDAC does play a part in making affordable housing possible.

Wischnack noted that the survey shows that respondents did not understand that businesses can help with the housing situation. More education could be done in that realm. Mr. SaintAmour said that the respondents saw the lack of available workers caused more by a lack of transportation issue than a housing issue.

Duginske Cibulka would like to learn more about the respondents' perception of what "growing responsibly" means. She suggested providing feedback or a reward to respondents for taking the time to respond. Mr. SaintAmour stated that holding a meeting for non-profit and for-profit businesses can be very powerful where the survey results are shared and brainstorming can take place.

Wischnack noted that since workforce issues are the greatest concern, the next issue of Thrive could focus on workforce issues. Everyone in the state is having a workforce shortage issue. The newsletter could identify the issues and promote ideas being used to tap potential worker supplies.

Hanson noted that the Twin West Chamber of Commerce merged with the Minneapolis Chamber of Commerce and underwent some staffing changes that delayed working out how it will engage with some cities including Minnetonka.

Dugenski Cibulka liked the idea of holding a debriefing and follow-up focus group with the businesses. She asked if that was being planned. Wischnack answered affirmatively. She explained that 26 businesses expressed interest in participating again.

Jacobsohn noted that the Thrive newsletter could share the survey's statistical results to show respondents that they have been heard. Everyone agreed.

In response to Tyacke's question, Wischnack explained the city's implementation of the business development strategy plan.

Wischnack thanked Gray, Hanson and Mr. SaintAmour for their work.

5. Staff Report

- Nearly 60 percent of the civil construction of the SWLRT is complete. Eleven of 16 stations are under construction. All eight tunnels are under construction. Red Circle Drive from Shady Oak Road will reopen to two-lane traffic along Hwy 62.
- Starting Dec. 4, 2021, a significant number of changes will occur to the bus system and will affect routes within Minnetonka. The following routes have been suspended: Routes 12, 652, 664 and 670. Route 9 will see an increase in weekday trips in December.
- Development updates include The Pointe, Minnetonka Station, Doran, Shady Oak Crossing, Shady Oak Office Center (Wellington), Ridgedale Area Park, Dick's House of Sport, Medical Examiner's Office, Minnetonka Police and Fire project, Tavern Grill, Culver's and Kazoku.
- The Small Business Administration is accepting loan applications for Covid-19 resources. To date, 43,000 Minnesota businesses have been approved for loans.
- The Minnesota DEED Job Creation Fund is working with King Technology to move to Minnetonka and create 43 potential new jobs over three years.
- The elevate business platform upgraded its startup space online for businesses to access advisors and peer networking.
- There are still pandemic assistance programs available to help with utility payments, broadband service, allowance for purchase of a computer, and rental assistance. The state is working on creating a mortgage assistance program.

Wischnack explained that a joint meeting of the city council and EDAC will be scheduled in February of 2022 to discuss the HRA Levy and housing programs including down-payment assistance and wealth-building programs.

6. Other Business

The next EDAC meeting is scheduled to be held on Jan. 13, 2022 at 6 p.m.

7. Adjournment

The meeting was adjourned at 7:30 p.m.