

**City of Dayton  
Economic Development Authority (EDA)  
September 17, 2024  
7:30 a.m.**

**REVISED AGENDA September 13, 2024 10:30 p.m.**

7:30 1. **Call to Order**

The EDA consists of seven members including two City Councilmembers and five members of the Dayton business community or residents of the City of Dayton with business and/or economic development expertise, each with an interest in promoting the economic growth and development of the City of Dayton. The EDA shall have all the powers, duties, and responsibilities set forth in Minnesota Statutes §469.090 to §469.1081.

7:30 2. **Approval of the Agenda**

7:30 3. **Consent Agenda**

A. Approval of Minutes, August 20, 2024

7:30 4. **Open Forum**

Time is limited to 3 minutes. No EDA Action will be taken. However, direction can be given to staff for future meetings.

7:35 5. **Old Business**

- A. Introduction of Dave Anderson, EDA member
- B. Review of 2024 EDA Goals
- C. **EDA Budget**

8:10 6. **New Business**

- A. **Old Public Works, 16471 South Diamond Lake Road**
- B. **Tax Forfeit property, 18XXX territorial Road**
- C. **Cemstone/Railroad Spur**

8:35 7. **Staff & Board Updates** (verbal)

- A. Staff Updates
  - EDA Bylaws (approved Aug 27, 2024)
  - Elevate Hennepin County
  - Development updates
- B. Board Updates

The next EDA meeting will be Tuesday, October 15, 2024, 7:30 am

8:45 8. **Adjourn**

**MINUTES OF THE AUGUST 20, 2024  
ECONOMIC DEVELOPMENT AUTHORITY MEETING**

Chair Huttner called the August 20, 2024, 2024 EDA to order at 7:30 a.m.

**Roll Call**

Present: EDA Chair Huttner, Bernens, Fashant, Luther, Peralta, Salonek

Absent: None

Also, in attendance: Zach Doud, City Administrator/Finance Director; Jon Sevald, Community Development Director; Hayden Stensgard, Planner II; Amanda Johnson, EDA Attorney

**Approval of the Agenda**

Motion to approve the agenda by Fashant seconded by Peralta all ayes. Motion passed unanimously.

**Consent Agenda**

**A. Approval of Minutes, July 30, 2024**

Motion to approve the minutes by Fashant seconded by Luther all ayes. Motion passed unanimously.

**Open Forum**

No one came forward for open forum.

**Special Items**

**A. Introduction of Amanda Johnson, LeVander, Gillen & Miller (EDA Attorney)**

Huttner introduced Johnson to the EDA Members.

**B. Introduction of Hayden Stensgard, Planner II**

Huttner asked Stensgard what his role is. Stensgard stated that he will assist with land use needs. Sevald stated that Stensgard started his job at the end of July. Stensgard is reviewing all of the permits and will be attending EDA meetings.

**Action Items**

**A. Approval of Application for New EDA Member**

Huttner asked if everyone had an opportunity to review Mr. Anderson's intake. The answer is yes.

Huttner stated that Mr. Anderson is a long-time (more than 32 years) resident of Dayton. Anderson is a consultant and a customer of Huttner's.

Fashant brought up the fact that Anderson is not currently a business owner in Dayton. Huttner stated that Anderson runs his business from his home. Salonek stated that Anderson actually sold his business but still consulted for the new owners.

Luther stated that Anderson looks to be a great fit.

Bernens stated that he has no problem with bringing Anderson on.

Additional conversation ensued.

Peralta asked if Anderson is semi-retired. The answer is yes. Peralta asked if Anderson has the potential to be an asset. Huttner stated that the EDA could benefit from the wisdom of those who have been around a long time.

Salonek is in favor of Anderson.

Motion by Salonek and seconded by Fashant to approve David Anderson's application to become an EDA Member. Motion passed unanimously.

## **B. Cubes Concept Plan**

Sevald came forward and stated that the Cubes is a 1,000,000 square-foot warehouse that has remained empty for quite some time. The owner has a potential tenant who would occupy the west half of the building. The potential tenant is known as Project Falcon. The name of the business is unknown at this time. The potential tenant does not wish to be known at this time. They are a building supply company and require about eight acres of outside storage. The current Building Code limits the outside storage to 20% or two acres, whichever is smaller. The property owner is requesting the additional outside storage space. Sevald presented two images to show two different options.

The EDA members asked a variety of questions regarding the outside storage needs that had no answers because the business owner is secretive. Do they want to store building supplies? Do they want to store airplane parts? Are the materials flammable?

Sevald stated that it is not uncommon for a business to use a code word for a project. Most of the time using a code word means the business may be in competition for multiple sites.

Huttner stated that the EDA must know, at a bare minimum, what will be stored in the outside storage area before the EDA can consider the request.

Sevald asked the EDA if there were any special conditions they would like to see if the outside storage items turn out to be agreeable.

Fashant stated that a significant number of berms along with a significant amount of heavy screening would be needed for option one. Fashant also stated that it seems wrong to purchase only three of the four houses in the second option because it would leave only one residential home in the area.

Luther stated that he is not in favor of filling in the stormwater pond for the purpose of outside storage. Luther is also concerned about setting an unfavorable precedent.

Bernens concurred with Luther and further stated that purchasing the homes was the better option.

Peralta wants additional information.

Johnson stated that if the landowner meets the City's requirement for stormwater containment, legally it doesn't matter if they do it with a pond or with underground tanks.

Salonek openly wondered why the mystery company is willing to spend so much money on converting a stormwater pond into an underground storage of stormwater and considering the purchase of three or four houses, why don't they simply rent the entire warehouse? Salonek went on to say that he just needs to know a lot more about the business before moving forward.

### **C. DCM Farms Concept Plan (Revised)**

Sevald stated that the EDA has reviewed the DCM project earlier. When the Concept Plan was originally presented, there were three different versions. Now, the Concept Plan has been refined and the EDA is requested to give feedback.

Huttner stated that the EDA was tasked with sending their thoughts about the Concept Plan to Doud. Huttner asked if any of the EDA Members sent Doud their feedback. The answer is no.

Luther stated that the Concept Plan looks different. Sevald stated that he couldn't remember the exact number, but there will be 250 homes built in various sizes and some commercial retail.

Luther has no problem with the Concept Plan and asked if it was going to be up to the City Council to enforce the "neighborhood-like feel" of the commercial retail area. The answer is yes.

There was consensus to move forward with the concept.

## **Staff Updates**

### **A. EDA Budget (Tentative)**

Sevald stated that the City Council is still in the budget process. There have been four budget meetings thus far. Staff's proposed budget for the EDA is \$62,500, which includes \$20,000 for a real estate broker, \$20,000 for legal, \$5,000 for marketing, \$2,500 for Elevate Hennepin County, and \$15,000 for miscellaneous items. Sevald stated that City Council wants the EDA to use the existing EDA funds rather than a tax levy.

Huttner asked Sevald why the EDA was asked to create a budget. Sevald stated that's what we do every year. Huttner asked about growing the EDA account for future purchases. Sevald stated that's a good discussion point.

Salonek stated that the budget was created by throwing a dart at the wall. The EDA has no idea what is being budgeted for, which means the EDA is taxing for no particular reason. The EDA needs to show a spending history before taxing the residents.

Fashant stated that this is the first year the EDA has put together a budget with some detail. Fashant believes the EDA budget should be levied for, but he only has one vote.

Additional conversation ensued.



Huttner stated that Salonek would change his mind after going into Closed Session today.

Bernens suggested there should be a levy for at least \$30,000 because there will be some expenditures.

#### **B. EDA Flowerpots (Need Two Sponsors, \$200 Each)**

Sevald stated that there are two flowerpots still in need of sponsors.

Luther suggested that the EDA should have a sign on the flowerpot since the money for it will ultimately come from the EDA budget. Additional conversation ensued.

Sevald stated that he could have some generic EDA signs made. If someone decides to sponsor one of the flowerpots, the EDA sign can be removed, and the sponsor's sign will replace the EDA sign.

#### **C. Moratorium Prohibiting Operation of Cannabis Businesses and Cannabis Cultivation Businesses until January 1, 2025**

Stensgard stated that the establishment of cannabis cultivation businesses is prohibited through December 31, 2024. The State of Minnesota gave cities the opportunity for moratoriums to create Zoning Laws.

Johnson stated that it is important to understand the difference between hemp-derived products and cannabis products. The State treats the two products differently, which is why a liquor store can sell THC-infused beverages. At the Federal level, cannabis is illegal, so it cannot be transported across State lines. It is illegal to ship cannabis products from Colorado to Minnesota. Cannabis products must be grown here, processed here, and sold here to be considered legal. Hemp-derived products are not Federally illegal. The mechanism to regulate cannabis in the City is primarily through Zoning Laws. The State has a limited number of cannabis licenses that will be issued.

Fashant stated that the City Council passed the moratorium at the last meeting. Fashant believes that the fee associated with selling cannabis is too high.

Additional conversation ensued.

#### **D. Master Plan Work Session August 27, 2024 (City Council/Planning Commission)**

Sevald stated that three options will be presented. The City Council and Planning Commission will be deciding on which option to move forward. Sevald asked the EDA if, as a body, they believe there is enough industrial area in the City, or do they believe the City needs more industrial area. No answer was given.

Bernens asked if an EDA Member could have a voice in the discussions. Sevald stated that it is a public meeting and the entire EDA is welcome to attend.

#### **E. Parkway Neighborhood EAW (Public Comments through August 23, 2024)**

It was noted that this neighborhood will have 650 units along with a small commercial area. The Environmental Assessment Worksheet is being completed presently, but it is a lengthy process. Sevald stated that the development will be built in several phases, and it will likely run over the course of ten years.

Huttner asked for clarification on what an EAW is. Sevald stated that an Environmental Assessment Worksheet is about a 500-page document that requires air quality assessment, water quality assessment, and so much more.

Additional conversation ensued.

#### **F. West Territorial Road Municipal Water Extension**

It was noted that Dayton Storage was approved a while back. Water and sewer were not available but the Building Code required a fire suppression system, which is extremely expensive. After several discussions, the owner of Dayton Storage is paying for the City to extend municipal water to the property.

Huttner asked where the water is coming from. The answer is Maple Grove.

Sevald stated that he has two additional items that he did not include in the agenda.

Hennepin County has a program called the CEO Next Program which is peer learning for small business that have 10-99 employees and has at least \$1,000,000 in revenue. This is a free program that puts business owners in touch with one another.

#### **EDA Member Updates**

Huttner stated that the next EDA meeting will be Tuesday, September 17, 2024, at 7:30 a.m.

#### **Closed Session**

Pursuant to MN Statute 13D, Subd 3(c), to develop or consider offers or counteroffers for the purchase or sale of real or personal property of the following: PID: 36-121-23-41-0021, 36-121-23-41-0010, 36-121-23-41-0011, 36-121-23-41-0012, and 36-121-23-41-0020.

#### **ADJOURN**

Motion by Fashant and seconded by Luther to adjourn at 8:52 a.m. Motion passed unanimously.

Respectfully submitted,  
Zach Doud, City Administrator/Finance Director

**ITEM:**

Review of 2024 EDA Goals

**APPLICANT:**

N/A

**PREPARED BY:**

Jon Sevald, Community Development Director

**POLICY DECISION / ACTION TO BE CONSIDERED:**

N/A

**BACKGROUND:**

The EDA discussed 2024 goals at its November 21, 2023 and April 16, 2024 meetings (attached). Little to no progress has been made due to Staff's time constraints.

The Staff Report is intended as a mid-year progress update.

**CRITICAL ISSUES:**

Staff will work on goals as time permits.

**COMMISSION REVIEW / ACTION (IF APPLICABLE):**

No Action required.

**60/120-DAY RULE (IF APPLICABLE):**

	60-Days	120-Days
N/A		

**RELATIONSHIP TO COUNCIL GOALS:**

*Planning Ahead to Manage Thoughtful Development*

- *Clear Goals and Deliverables for each Commission*

**BUDGET IMPACT:**

TBD

**RECOMMENDATION:**

N/A

**ATTACHMENT(S):**

2024 Goals & staff notes

2022 Economic Development Strategic Plan

### EDA Goals

**1) *Support existing business expansion and attract new businesses through the use of the revolving loan fund.***

Explanation

The EDA administers a low interest loan program (2% interest rate max) for existing and proposed Dayton businesses for qualifying uses including (summarized); purchasing land, improvements to land and/or buildings, and purchase of equipment. Loan amount: \$5,000 - \$50,000.

Progress

None.

Notes

Revolving Loan program is posted on City's website.

**2) *EDA Members will organize Business Outreach Visits***

**a. *Each member will visit at least 2 businesses during the year and report back to the rest of the Board with what was mentioned***

Explanation

Intent is for EDA members to visit with Dayton businesses to learn about them, and any assistance the city can provide.

Progress

During the April 16, 2024 meeting, EDA member Luther reported visiting one business.

Notes

Staff's intent is to develop a Business Retention & Expansion program to begin in 2025, (e.g. staff visiting all businesses on a regular cycle).

**3) *Prioritize support for redevelopment areas including Balsam Lane; Historic Village, Dayton Parkway Interchange and Co. Rd. 81 corridor***

**a. *Work with property owners to encourage site improvements;***

Explanation

As development occurs along corridors (e.g. shiny new buildings), many existing commercial properties comparatively appear dilapidated. Intent is to encourage maintenance and improvements of older buildings and properties.

Progress

None.

Notes

Option of proactive code enforcement in commercial districts (vs complaint driven). Proactive code enforcement has not been supported in the past.

- b. Actively identify and engage with property owners (willing sellers) the purchase of property at key locations for redevelopment purposes;***

Explanation

The EDA contracted with IAG as a commercial broker, in part to pursue redevelopment opportunities. The city adopted the Historic village Framework Plan in 2023. This is not a redevelopment plan (e.g. a plan of when & how redevelopment occurs).

Progress

When opportunities arise, Staff have pursued.

Notes

The Historic Village has limited sewer/water capacity. A project requiring fire suppression would need to provide their own water on-site (not thru the city), which may be cost prohibitive. This limits large scale redevelopment and favors small development one lot at a time vs. one block at a time.

- c. Create redevelopment plans necessary to pursue grants;***

Progress

The City adopted the Historic Village Framework Plan in 2023. No grants have been pursued. The City is working on a Master Plan of a town center, tentatively to be adopted in 2024. During City Council and Planning Commission discussions, it's been pointed out that the city does not have a solid plan for the Dayton Parkway extension, other than its general location. This is intended to be included in the 2050 Comprehensive Plan update (2026-2028). Staff has had brief conversations with MnDOT regarding possible grants.

- d. Utilize regional trail corridors as opportunities for economic development***

Explanation

Three Rivers Park District includes 19 regional trail corridors (existing and planned). Corridors through Dayton include; Rush Creek, Medicine Lake, and West Mississippi River.

Progress

None.

Notes

City and Three Rivers Park District staff meet quarterly to discuss projects and ideas. A Medicine Lake trailhead has been discussed to be incorporated with the Parkway Neighborhood project in southwest Dayton (project is under review).

**4) *Support local Dayton events that promote its economic development efforts***

Explanation

The City's community event is HoliDayton (December). The city has provided traffic control for non-city sponsored events, typically for a fee or waived fees.

Progress

None.

Notes

**5) *Encourage the City Council to review Zoning standards that supports redevelopment and new development in priority areas.***

**a. *Engage with existing businesses and identify zoning codes or other issues that restrict business expansion.***

Explanation

Identify inhibitors to business development and expansion. Examples include; building design standards that are more restrictive than MN Building Code, limitation of outdoor storage (20% or 2 acres, whichever is less), signage restrictions, landscaping requirements, city fees, city approval process.

Progress

None.

Notes

113<sup>th</sup> Avenue neighborhood meeting was held on February 13, 2024 to discuss business owners' interest in hooking up to sewer/water as part of a potential sewer/water extension. Those attending were opposed, noting sewer/water availability would create pressure for redevelopment and dislocation, and that there is nowhere in Dayton for them to move to that was affordable and offered the amount of outdoor storage they currently had (e.g. more than 20%/2 acres).

CRG/Cubes proposed additional outdoor storage (8 acres), withdrawing their request due to project costs. Several EDA members were not supportive of additional outdoor storage (July meeting) due the precedence it could set for other businesses to do the same, along with a lack of information provided.

**6) Awareness of Commercial Properties Available**

***a. Establish that listing for commercial on the EDA's website potentially?***

Explanation

At some point in 2023, the EDA discussed contacting with CoStar to list commercial properties for sale/lease (\$5,200 per year), and to provide the public assistance with searching for commercial properties for sale/lease. Staff recommended that this would not be an efficient use of EDA funds because a buyer/seller would likely be using a broker who also had a CoStar account.

Progress

None.

Notes

The EDA is engaged with IAG Commercial as a real estate broker. Staff's intent is to eventually have an interactive map on the city's website displaying development projects and properties available.

# City of Dayton, MN

## ECONOMIC DEVELOPMENT STRATEGIC PLAN

APPROVED: July 19, 2022



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Prepared by:

Ehlers  
3060 Centre Pointe Drive  
Roseville, Minnesota 55113

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## ACKNOWLEDGMENTS

The Economic Development Authority of the City of Dayton (EDA) developed this document to ensure a pragmatic approach to growth and economic development throughout the City of Dayton. The EDA is comprised of seven commissioners – two commissioners are City Council members, and five commissioners represent local businesses.

### Economic Development Authority Board of Commissioners:

- Scott Salonek, City Council Member
- Julie Gustafson, City Council Member
- Jack Bernes, Business Representative
- Tim Huttner, Business Representative
- Jim Berge, Business Representative
- Vacant, Business Representative
- Vacant, Business Representative

### Staff Liaisons:

- Zach Doud, Interim City Administrator/Finance Director
- Tina Goodroad, Former City Administrator

### Consultant:

- Jason Aarsvold, Ehlers and Associates
- Keith Dahl, Ehlers and Associates

# CONTENTS

Introduction.....	4
OVERVIEW.....	4
PROCESS.....	5
Context.....	7
INCOME.....	7
HOUSING SALES.....	7
TAX BASE .....	8
EMPLOYMENT.....	11
Resources.....	12
Economic Development Strategy.....	14
GOAL 1: Strengthen the local tax base.....	14
GOAL 2: Encourage public/private partnerships to construct public infrastructure.....	16
GOAL 3: Foster employment growth with strong wage opportunities through attraction of new businesses and expansion of existing businesses.....	17
GOAL 4: Ensure city processes are business friendly and do not create barriers to development.....	20
GOAL 5: Promote the growth of a “City Center” located in Territorial Road and Holly Lane area.....	21
GOAL 6: Explore preservation, reinvestment, and redevelopment possibilities within the Historic Village .....	22
GOAL 7: Provide greater clarity around when and how to use City assistance for projects .....	23
GOAL 8: Strengthen quality of life within Dayton through enhancement of recreational opportunities .....	24
GOAL 9: Use Economic Development Resources to Promote a Full Range of Housing Choices Within Dayton.....	25

# Introduction

## OVERVIEW

The City of Dayton, Minnesota is a growing community located in the northwest corner of the Minneapolis-St. Paul Statistical Area. It is located at the confluence of the Mississippi River and Crow River and remains largely rural compared to adjoining communities. The United States Census Bureau estimates the City had a population of 8,226 in 2021. This is an increase of about 76% from the 2010 census or a 13% increase from the 2020 census.

The City is seeing strong demand for both residential and business growth given its available land and location within the Twin Cities Metropolitan Area. The EDA is intently aware of its assets, competitive position, and growth potential after the completion of the Dayton Parkway Interchange on Interstate 94. Dayton intends to capitalize on its opportunities and help shape growth over the next several years in a manner consistent with community values. To accomplish this, the EDA undertook an in-depth and intentional strategic planning process for economic development.

This Economic Development Strategic Plan sets forth an achievable, strategic economic development plan for the EDA and City of Dayton. The Strategic Plan identifies specific goals, strategies and actions which build upon unique strengths and distinct characteristics of the City. Each of the goals focus on one or more priorities of the EDA which factor into the economic health and enhanced vitality of the City. The Strategic Plan's purpose is to articulate a set of measurable strategic actions that facilitate development within the City and provide guidance to staff on where to spend their time and City resources.

The Strategic Plan is not meant to be an exhaustive outline, but rather is intended to be a roadmap for guidance and direction. In addition, the plan is meant to be fluid in that it should be reviewed regularly to determine if there is a change in priorities or if resources need to be shifted. A key aspect of this Strategic Plan is to assure the mechanisms are in place to recognize success, big or small, in development and to continuously realign the resources and policies of the City to meet the goals of the EDA.

## PROCESS

The EDA initiated the strategic planning process at its meeting on April 19, 2022 with a review of the City's current status. Data was gathered, analyzed, and distilled to conduct a "level setting" planning session with the EDA. Discussions focused on understanding City perspectives, perceptions, and realities, identifying EDA priorities, reviewing roles and responsibilities, and assessing the course of direction for the future. The major themes discussed are presented below as Strengths, Weaknesses, Opportunities, and Threats (SWOT).

### Strengths:

- Availability of land
- Proximity to commercial, healthcare, and other services in adjacent communities
- Convenient freeway access with addition of the Dayton Parkway Interchange at I-94
- Geographic location along the Mississippi River and Crow River
- Lots of parks and trails
- Diversity of new and younger families
- Strong local housing market

### Weaknesses:

- Cost to construct new public infrastructure
- Maintenance costs of existing public infrastructure
- Lack of convenient access/connections to parks and trails
- High residential tax burden
- Distance to a national or regional airport
- Service and consumer based commercial
- No apparent City Center

**Opportunities:**

- Preserve and reinvest into the Historic Village
- Expand access to and increase use of outdoor recreational areas
- Collaborate with regional partners to promote Dayton
- Increase marketing efforts to build awareness of development opportunities
- Attract capital intensive industries (i.e. Research and Development)
- Develop a City Center Master Plan

**Threats:**

- Loss of agricultural land – rural decline
- Staffing levels to adequately provide public services
- Making development decisions to pay debt service
- Financial strain of high tax burdens
- Onerous public approval processes

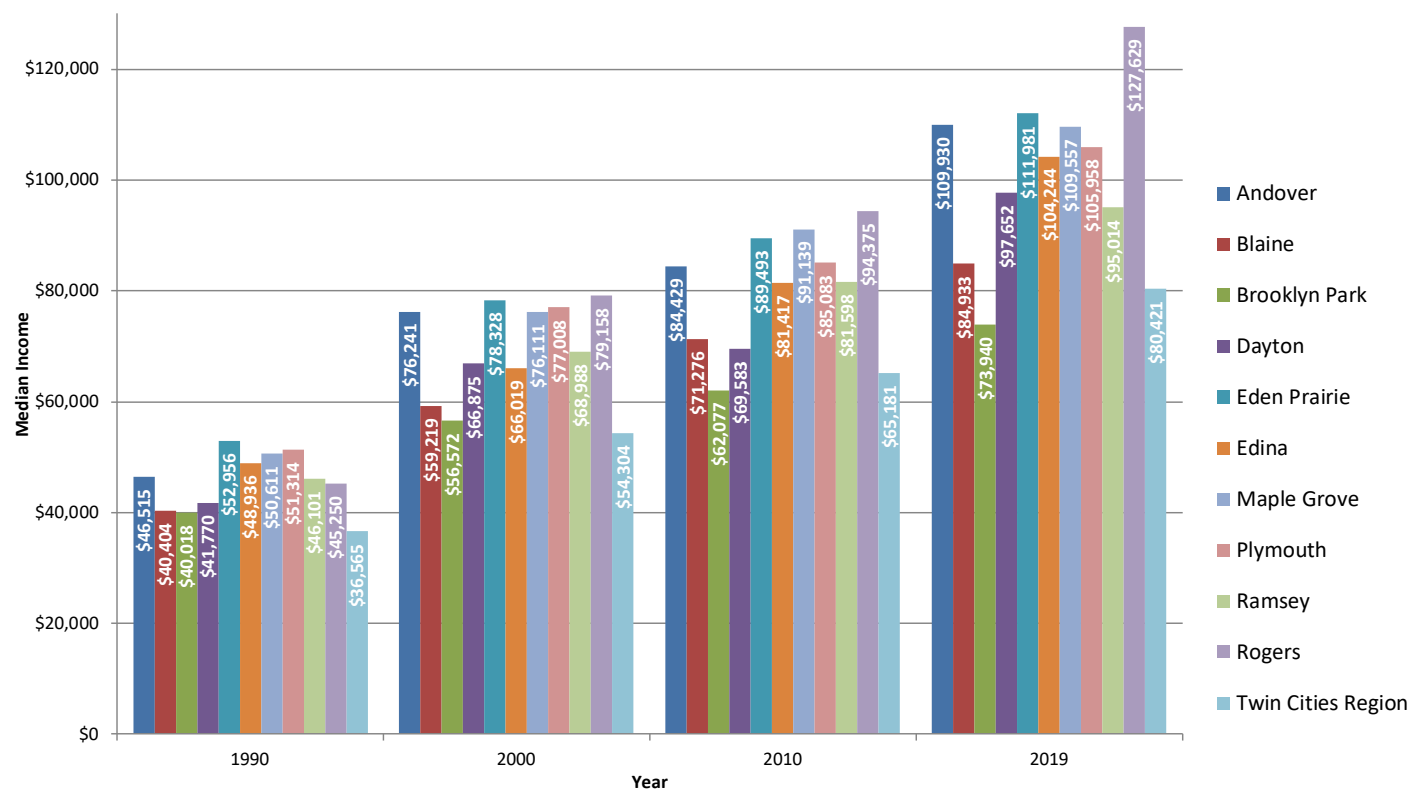
Following the April 14, 2022 meeting, staff took the EDA commissioner’s feedback and began to formulate draft goals for consideration. At its meeting on May 17, the EDA reviewed and revised proposed strategies and came to consensus on the final goals for inclusion in the Plan.

On June 21, 2022 EDA commissioners considered strategies, and action steps for inclusion in the Plan to direct the City’s economic development efforts over the next several years.

## Context

EDA Commissioners spent time reviewing data about the City of Dayton to help inform the strategic planning process. The following is information and key “take-aways” provided through the planning process to review these in the context of the metro area, peer cities, and the State.

## INCOME



Dayton's median household income increased from \$41,770 in 1990 to \$97,652 in 2019 (134%)

Median household income in the Twin Cities increased from \$36,565 in 1990 to \$80,421 in 2019 (120%)

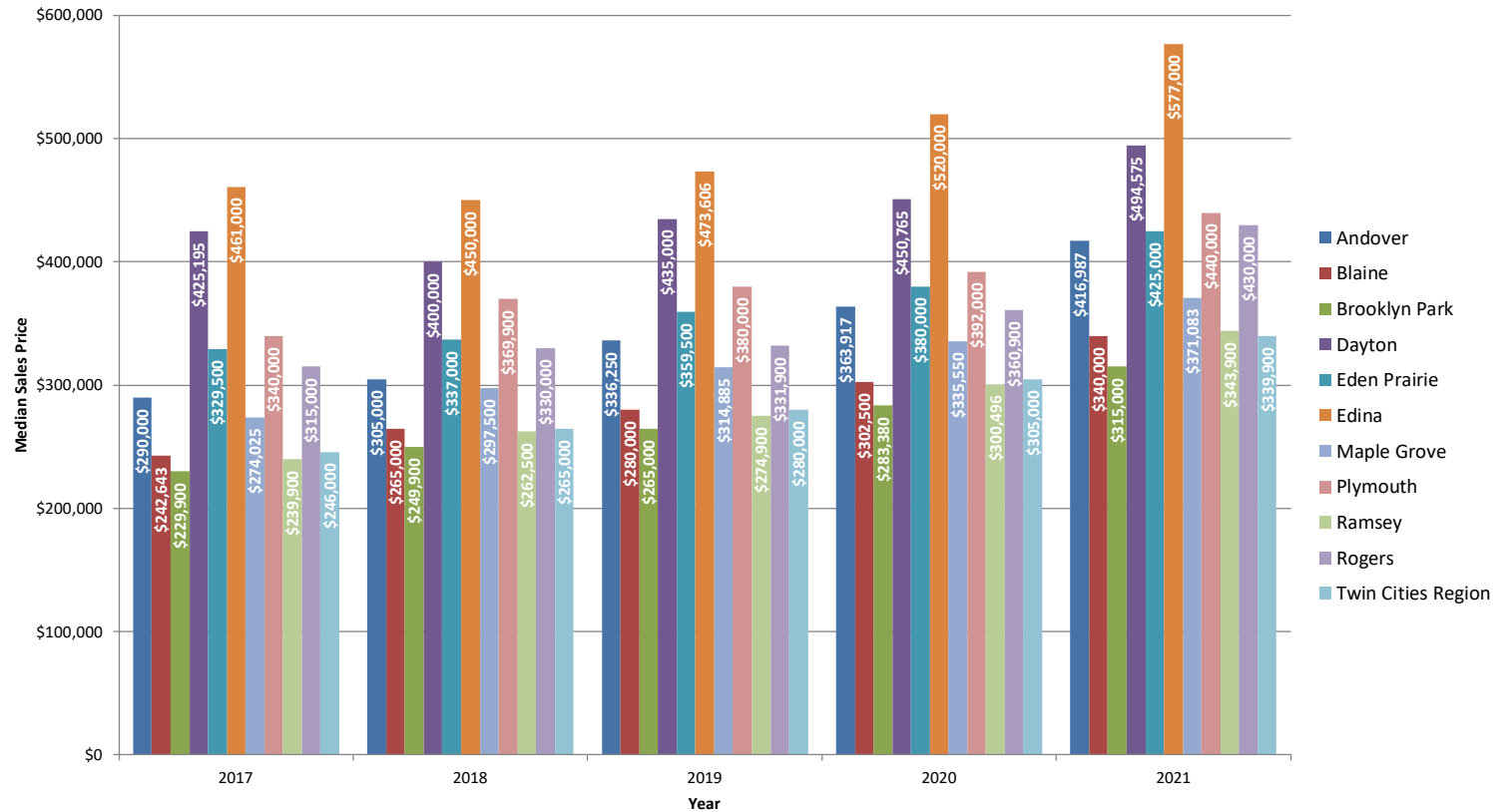
Dayton's median income is growing faster than the Twin Cities region

## HOUSING SALES

Dayton's median home sale price was \$425,195 in 2017 and increased to \$494,575 in 2021, which is a 16% increase

The median home sale price in the Twin Cities region was \$246,000 in 2017 and increased to \$339,900 in 2021, which is a 38% increase

Dayton's median home sales price is among the highest of the peer cities reviewed



## TAX BASE

Growing the tax base is one of the central goals of any economic development effort. Tracking the growth in Dayton's tax base will be one important way to measure success. Comparing that growth to the state as a whole, as well as other peer communities will help the City understand if the tax base growth is simply inflationary, or if the City's growth is increasing relative to its peers. A strong economic development strategy is one factor that can contribute to tax base growing faster than peer communities. The table below compares Dayton's market value and tax capacity, which are measures of the City's tax base, to the state of Minnesota between 2015 and 2021. While City level data is available for 2023, aggregated State level data is not. Thus, the tables below use 2021 data since it is the latest aggregated data available at the State level.

	Year		Change 2015 - 2021	
	2015	2021	Amount	Pct.
<b>Estimated Market Value</b>				
Dayton	\$509,036,227	\$1,100,677,500	\$591,641,273	116.23%
Minnesota	\$626,900,095,947	\$804,978,906,709	\$178,078,810,762	28.41%
<b>Tax Capacity</b>				
Dayton	\$5,252,308	\$11,629,398	\$6,377,090	121.42%
Minnesota	\$6,502,590,274	\$8,716,666,897	\$2,214,076,623	34.05%

Source: Minnesota Department of Revenue

As the table shows, Dayton's tax base has grown well over 116% since 2015, as compared to the state which has grown over 28%. In addition to comparing Dayton's growth to the state as a whole, it is also beneficial to see how the City is doing relative to its peer cities. The table below compares the growth in market value between 2015 and 2021 amongst Dayton and select peer communities. This comparison is a helpful way to understand whether the City's market value growth reflects the general inflation within the region, or if there may be other factors contributing, such as an intentional economic development effort.



City	2020 Population	Estimated Market Value		Change 2015 - 2021		Market Value Per Capita
		2015	2021	Amount	Pct.	
Andover	32,601	\$2,610,013,669	\$3,685,468,000	\$1,075,454,331	41.20%	\$113,047.70
Blaine	70,222	\$5,339,903,262	\$8,195,586,700	\$2,855,683,438	53.48%	\$116,709.67
Brooklyn Park	86,478	\$5,485,607,651	\$8,458,083,900	\$2,972,476,249	54.19%	\$97,806.19
<b>Dayton</b>	<b>7,212</b>	<b>\$509,036,227</b>	<b>\$1,100,677,500</b>	<b>\$591,641,273</b>	<b>116.23%</b>	<b>\$152,617.51</b>
Eden Prairie	64,198	\$9,096,573,076	\$11,447,364,200	\$2,350,791,124	25.84%	\$178,313.41
Edina	53,494	\$9,893,204,412	\$13,465,932,900	\$3,572,728,488	36.11%	\$251,727.91
Maple Grove	70,253	\$7,741,298,726	\$10,770,851,200	\$3,029,552,474	39.13%	\$153,315.18
Plymouth	81,026	\$9,669,972,231	\$13,897,052,002	\$4,227,079,771	43.71%	\$171,513.49
Ramsey	27,646	\$2,026,693,935	\$3,043,174,200	\$1,016,480,265	50.15%	\$110,076.47
Rogers	13,295	\$1,582,611,852	\$2,348,313,600	\$765,701,748	48.38%	\$176,631.34
Minnesota	5,576,606	\$626,900,095,947	\$804,978,906,709	\$178,078,810,762	28.41%	\$144,349.25

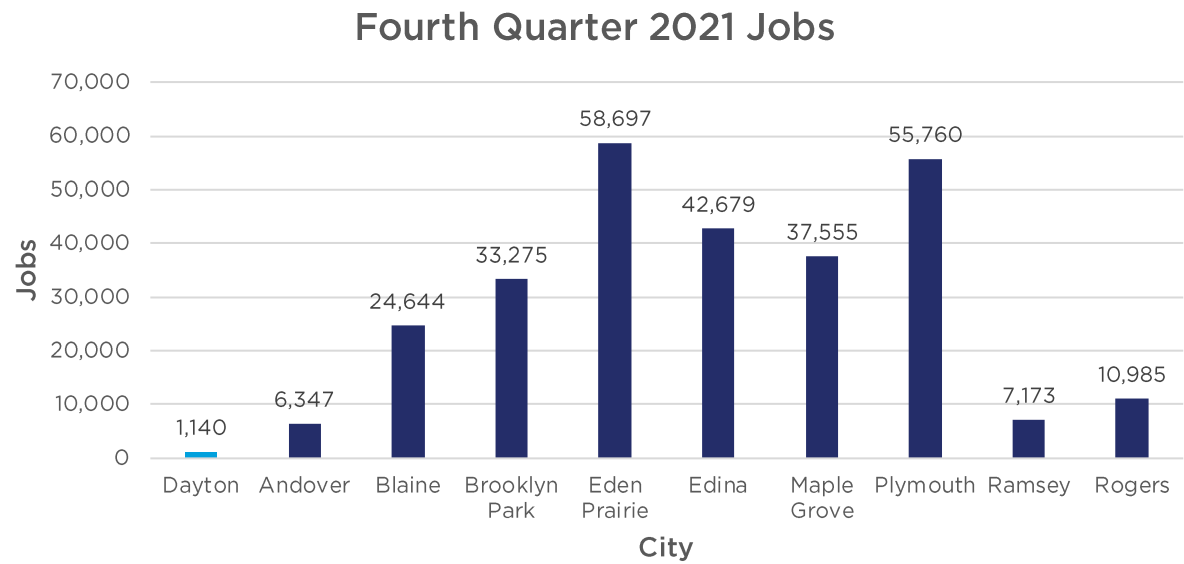
Source: US Census; Minnesota Department of Revenue

Dayton's market value is growing faster than the peer cities reviewed. The fact that Dayton is a growth community with available land, is contributing to this. Total market value is lower than the peer cities, but this presents an economic development opportunity for the City's future. On a per capita basis, Dayton ranks in about the middle for market value among the peer cities reviewed.

EMPLOYMENT

Existence of job opportunities within a community is one indicator of economic strength. Jobs provide opportunities for residents, but they also bring significant economic activity that helps support additional growth in the commercial sector. The table below compares the number of jobs in Dayton to peer cities.

According to the Minnesota Department of Employment and Economic Development’s Quarterly census of employment and wages, Dayton had 1,140 jobs in the community as of 4th quarter 2021. This is very low relative to the number of jobs in the peer cities reviewed. Recent development activity as well as a renewed focus on job growth through economic development efforts are expected to narrow this gap in jobs between peer cities.



# Resources

Successful implementation of Dayton’s Economic Development Strategic Plan will require attention to the balance between priorities and available resources. The amount of work in this plan the City can take on and the timeframe within which it can be accomplished will be a function of available resources. These resources include both money and staff time. There will always be more activities on the economic development wish list than available resources to give them all the appropriate attention.

The City’s staff and other financial resources are finite, and it is difficult to create a large enough “war chest” in the short-term to address all the City’s needs. The City has relied in the past on the use of some public resources and tools that exist to accomplish its goals and will need to in the future as well.

The primary limiting resource for the City is internal staff capacity necessary to fully execute long-term plans. Done correctly, adding staffing capacity is an investment with a return to the City, not solely an expense. The intent of creating a thoughtful plan is to make sure these limited resources are deployed in a way that meets the City’s objectives.



For this reason, prioritizing the City's economic development activities is critical. This exercise in prioritization must be done in the context of the resources available to get the job done. Finding the proper balance will help ensure the City's investment in economic development is achieving the goals most important to the community. If priorities and resources are out of balance, the City will either have trouble accomplishing its goals, or will be investing more than may be necessary. The City will need to continually evaluate its economic development program and funding levels to stay in balance.

This plan contemplates time horizons for accomplishing each goal based on a schedule that uses short term, mid-term, and long-term increments. These time horizons are based on each goal's complexity and necessary level of involvement and resources. The exact date by which each goal will be accomplished is a function of the priority they are given and the City's available staff capacity and resources.

We recommend establishing an annual work plan to address these goals that can prioritize which items are most important and then match the resources necessary to carry out that plan. This plan should be revisited annually, and priorities and resources should be adjusted accordingly.

# Economic Development Strategy

## GOAL 1: STRENGTHEN THE LOCAL TAX BASE

STRATEGY	ACTIONS	TIMELINE
1.A. Encourage tax base growth and diversification	Meet with economic development partners, such as the local Chamber of Commerce, Hennepin County, Greater MSP, and DEED to inform them of sites, buildings, and EDA economic development initiatives	On going
	Meet with site selectors to understand their needs and ensure Dayton is producing relevant information to provide during site selection processes	On going
	Assemble a list of “available sites” for residential, commercial, and industrial development. Include site specific information about zoning classification, square footage, access to amenities, transportation access, access to utilities, and other pertinent information	Short-Term
	Continually update the list of available sites as sites are developed and new sites become available	On going
	Send a delegation to a Site Selector conference	Long-Term
1.B. Attract capital and job intensive industries	Conduct a sector industry analysis to determine target industries	Short-Term
	Develop target industry profiles that summarize Dayton’s competitive positioning and highlights the benefits of doing business in the city	Mid-Term
	Distribute marketing materials to local and regional partners, including making them available on the City’s website	Mid-Term

1.C. Encourage commercial and industrial property reinvestment and revitalization	Implement a consistent Business Retention and Expansion program to assess existing businesses needs and growth	Long-Term
	Create business assistance grant and/or loan programs that incentivize reinvestment of existing commercial and industrial buildings	Long-Term
1.D. Evaluate financial and staffing resources necessary to accomplish goal		Short-Term

## DATA COLLECTION POINTS

1. Measure increased market value and tax base growth
2. Track number of businesses relocating and expanding
3. Track number of site visits to assess businesses needs
4. Identify three or more target industries and produce target industry profiles for each
5. Track google analytics

## GOAL 2: ENCOURAGE PUBLIC/PRIVATE PARTNERSHIPS TO CONSTRUCT PUBLIC INFRASTRUCTURE TO SUPPORT QUALITY DEVELOPMENT

STRATEGY	ACTIONS	TIMELINE
2.A. Evaluate new development impacts on underserved or unserved areas	Review property land use guidance for undeveloped industrial and commercial areas within the City to assess future public infrastructure needs	On going
2.B. Coordinate construction of public infrastructure in concurrence with new development	Adopt a development-fee program and other appropriate financing measures, so that new development pays its share of the costs when new public infrastructure is required	Short-Term
	Seek grant funding for public infrastructure needs (i.e., TED and TEDI grant programs through DEED) that position areas for development and have the potential to reduce development costs	On going
2.C. Limit areas of new development to be concentrated around existing public infrastructure to not prematurely expand service delivery areas		On going

### DATA COLLECTION POINTS

1. Track the development ratio of public to private funds invested
2. Track total amount of grant funds secured and received
3. Measure length of public infrastructure paid for by the private sector

### GOAL 3: FOSTER EMPLOYMENT GROWTH WITH STRONG WAGE OPPORTUNITIES THROUGH ATTRACTION OF NEW BUSINESSES AND EXPANSION OF EXISTING BUSINESSES

STRATEGY	ACTIONS	TIMELINE
3.A. Direct any potential City assistance for higher job density and pay	Update the City's Business Subsidy Policy to ensure applicants are aware of required goals to receive public assistance	Short-Term
3.B. Expand marketing efforts to build awareness of opportunity in Dayton	Create an economic development portion of the City's current website to have economic development information accessible and in a centralized location	Short-Term
	Create a community profile that summarizes Dayton's competitive positioning and highlights the benefits of doing business in the City	Mid-Term
	Publish a list of available incentives the EDA would be willing to consider and/or support if the incentive is through the County, State or Federal government	Mid-Term
3.C. Promote development of existing vacant and underutilized properties	Create business assistance grant and/or loan programs that incentivize reinvestment of existing commercial and industrial buildings	Long-Term



3.D. Evaluate potential commercial and industrial development sites	Assemble a list of “available sites” for residential, commercial, and industrial development. Include site specific information about zoning classification, square footage, access to amenities, transportation access, access to utilities, and other pertinent information	Short-Term
	Continually, update the list of available sites as sites are developed and new sites become available	On going
	Pursue data collection processes that would be useful in determining if an existing business is out growing its space	On going
3.E. Collaborate with local and regional partners to promote Dayton	Meet with economic development partners, such as the local Chamber of Commerce, Hennepin County, Greater MSP, and DEED to inform them of sites, buildings, and city economic development initiatives	On going
	Create a process to push out information to real estate brokers when a site and/or building is ready for development and the owner is willing to sell	Mid-Term
	Communicate local businesses needs identified from BRE to local and regional partners to determine if there is a solution that can be implemented	On going
3.F. Evaluate financial and staffing resources necessary to accomplish goal		Short-Term

## DATA COLLECTION POINTS

1. Measure number of jobs created and retained
2. Track average wage levels overtime
3. Track number of businesses relocating and expanding
4. Measure net increase in commercial and industrial square footage
5. Produce a community profile brochure
6. Track number of available sites
7. Track number of website visits and clicks on Dayton's Economic Development subpage

## GOAL 4: ENSURE CITY PROCESSES ARE BUSINESS FRIENDLY AND DO NOT CREATE BARRIERS TO DEVELOPMENT

STRATEGY	ACTIONS	TIMELINE
4.A. Conduct an internal audit of existing processes and timelines	Review existing entitlement processes	Short-Term
	Determine if there are any opportunities to streamline approval processes and reduce approval timeframes	On going
4.B. Collaborate with internal and external stakeholders	Hold focus group discussions to obtain feedback	Mid-Term
	Discuss approval processes with recently established businesses	On going

### DATA COLLECTION POINTS

1. Review and track approval timelines for developments
2. Conduct two focus groups discussions – one for internal stakeholders and one for external stakeholders

## GOAL 5: PROMOTE THE GROWTH OF A “CITY CENTER” LOCATED IN TERRITORIAL ROAD AND HOLLY LANE AREA

STRATEGY	ACTIONS	TIMELINE
5.A. Facilitate development of the “City Center”	Engage property owners to discuss and identify development opportunities	On going
	Review property located in the City Center to determine if there may be any barriers to development (i.e., financial, market based, etc.)	Mid-Term
	Identify opportunities to remove barriers to development	On going
	Create a list of incentives	Mid-Term
5.B. Consider establishing a small area master plan		Long-Term
5.C. Engage developers to determine opportunities for implementation		Long-Term

### DATA COLLECTION POINTS

1. Track and report on efforts made to increase marketing efforts around the City Center
2. Complete a small area master plan
3. Track and monitor properties as they become available

## GOAL 6: EXPLORE PRESERVATION, REINVESTMENT, AND REDEVELOPMENT POSSIBILITIES WITHIN THE HISTORIC VILLAGE

STRATEGY	ACTIONS	TIMELINE
6.A. Conduct high level redevelopment feasibility analysis	Engage property owners to discuss and identify opportunities for preservation, reinvestment, and/or redevelopment	On going
	Identify financial or market gaps that are barriers to opportunities	Mid-Term
	Identify significant historic buildings and sites that qualify to be certified as historic on the National Register of Historic Places	Long-Term
6.B. Collaborate with the local Chamber of Commerce to attract businesses	Share redevelopment feasibility analysis with Chamber members and engage in open dialogue about the future of the Historic Village	On going
6.C. Consider establishing a small area master plan		Long-Term

### DATA COLLECTION POINTS

1. Track and report on efforts made to communicate with property owners and increase marketing efforts related to the Historic Village
2. Complete a redevelopment feasibility analysis

## GOAL 7: PROVIDE GREATER CLARITY AROUND WHEN AND HOW TO USE CITY ASSISTANCE FOR PROJECTS

STRATEGY	ACTIONS	TIMELINE
7.A.	Update and expand upon existing business subsidy policy	Short-Term
7.B.	Prepare an application for public assistance	Short-Term
7.C.	Formalize a process for consideration of requests for public assistance	Short-Term

### DATA COLLECTION POINTS

1. Update business subsidy policy
2. Create an application requesting public financial assistance
3. Develop a list of available incentives and publish on the economic development subpage of the City's website

## GOAL 8: STRENGTHEN QUALITY OF LIFE WITHIN DAYTON THROUGH ENHANCEMENT OF RECREATIONAL OPPORTUNITIES

STRATEGY	ACTIONS	TIMELINE
8.A. Increase access to parks, trails, and outdoor opportunities	Identify opportunities and projects that highlight family-friendly activities, activities for young professional, and ethnic group-related activities to promote a healthy and active lifestyle within Dayton	On going
	Seek local partners (Chamber of Commerce, businesses, adjacent communicates, Hennepin County, non-profit organizations) to help secure private funding	On going
	Promote areas to access local lakes and adjacent rivers	Mid-Term
	Encourage City Council to increase access and connectivity to lakes and adjacent rivers, as well as constructing the West Mississippi Regional Trail and city-wide trail development	On going
8.B. Prepare a “Quality of Life” brochure to promote lifestyle opportunities and benefits for businesses and workers to relocate to Dayton		Mid-Term

### DATA COLLECTION POINTS

1. Monitor and track use of public recreational facilities and trails
2. Track park dedication funds and other private funds received from businesses attraction and retention efforts
3. Design and publish a quality-of-life brochure on the economic development subpage of the City’s website

## GOAL 9: USE ECONOMIC DEVELOPMENT RESOURCES TO PROMOTE A FULL RANGE OF HOUSING CHOICES WITHIN DAYTON.

STRATEGY	ACTIONS	TIMELINE
9.A. Promote Housing choice	Identify financial or market gaps that are barriers to opportunities	Mid-Term
	Create a list of incentives available through the city	Mid-Term
9.B. Update and expand upon existing business subsidy policy to include conditions for use of public financing to promote housing choice		Short-Term

### DATA COLLECTION POINTS

1. Complete inventory of existing housing choices
2. Update business subsidy policy



GL NUMBER	DESCRIPTION	2023 ACTIVITY	2024 ACTIVITY THRU 08/31/24	2024 ORIGINAL BUDGET	2025 WORKSHOP BUDGET	2025 PRELIMINARY BUDGET
ESTIMATED REVENUES						
Dept 40100 - Property Taxes						
225-40100-31012	EDA Property Tax Levy	100,000.00			62,500.00	
Totals for dept 40100 - Property Taxes		100,000.00			62,500.00	
Dept 40700 - Misc Revenue						
225-40700-36210	Interest Earnings	28,329.30	20,348.46			
225-40700-39000	Other Financing Sources	1,200.00	1,600.00			
225-40700-39101	Sales of General Fixed Assets	35,950.00				
Totals for dept 40700 - Misc Revenue		65,479.30	21,948.46			
TOTAL ESTIMATED REVENUES		165,479.30	21,948.46		62,500.00	
APPROPRIATIONS						
Dept 41710 - Plannning & Economic Dev						
225-41710-50210	Operating Supplies	126.22	575.80		1,000.00	1,000.00
225-41710-50300	Professional Srvs	16,489.36	4,081.00		45,000.00	45,000.00
225-41710-50308	Contract Services				2,500.00	2,500.00
225-41710-50430	Miscellaneous				15,000.00	15,000.00
Totals for dept 41710 - Plannning & Economic Dev		16,615.58	4,656.80		63,500.00	63,500.00
TOTAL APPROPRIATIONS		16,615.58	4,656.80		63,500.00	63,500.00
NET OF REVENUES/APPROPRIATIONS - FUND 225		148,863.72	17,291.66		(1,000.00)	(63,500.00)
BEGINNING FUND BALANCE		523,318.22	672,181.94	672,181.94	689,473.60	689,473.60
ENDING FUND BALANCE		672,181.94	689,473.60	672,181.94	688,473.60	625,973.60



# Hennepin County Natural Resources Map

Date: 9/13/2024

## Legend

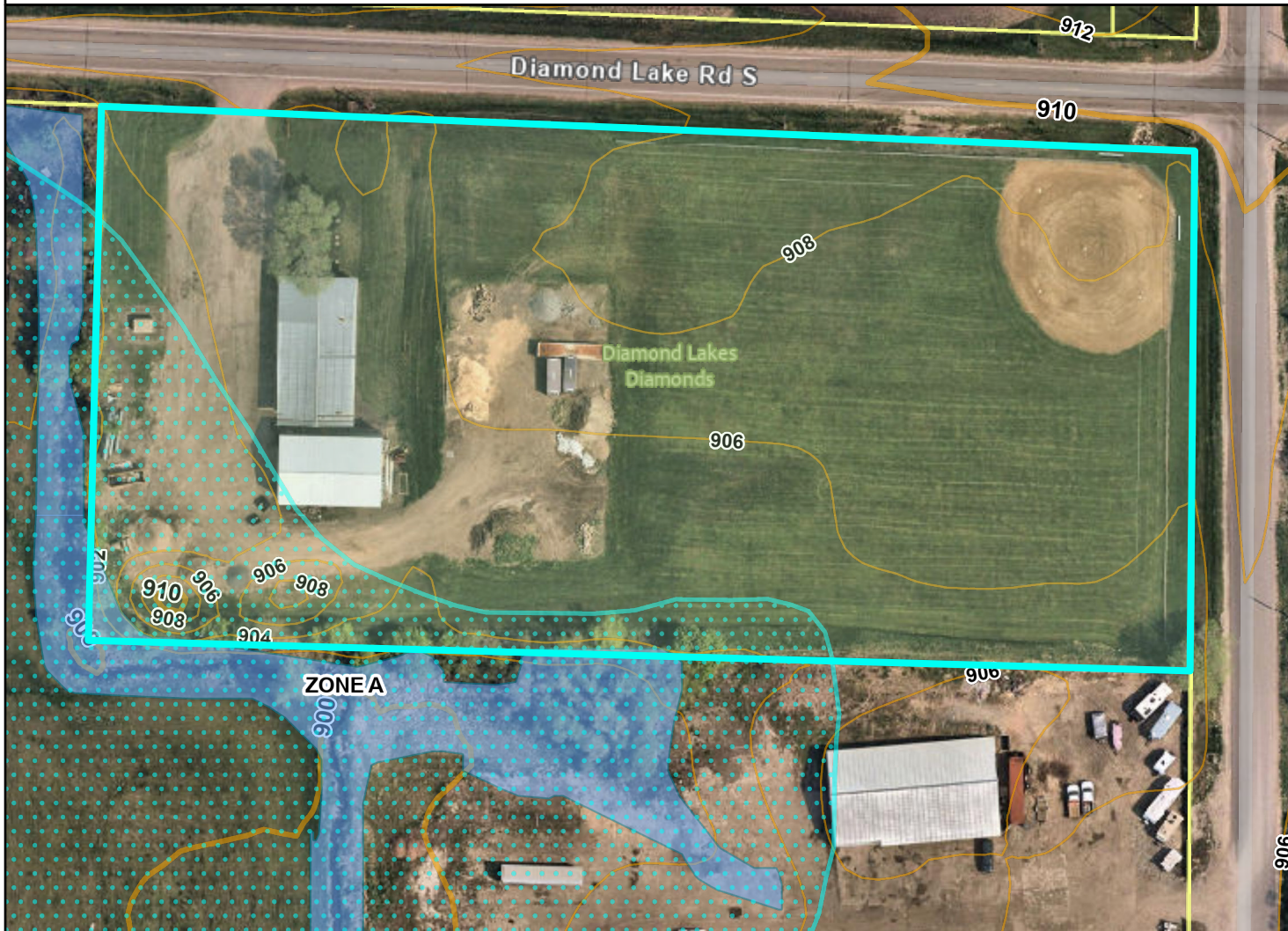
 FEMA Floodplains - 100 Year

 National Wetlands Inventory

### 2 Foot Elevation Contours

 Index

 Intermediate



PID: 1712022430001  
Address: 16471 Diamond Lake Rd S,  
Dayton 55327  
Owner: City Of Dayton  
Acres: 4.66

### Comments:

Old Public Works, 16471 South Diamond  
Lake Road

1:1,200

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Aerial imagery flown 2021






# Hennepin County Natural Resources Map

Date: 9/13/2024


## Legend

 FEMA Floodplains - 100 Year

 National Wetlands Inventory

### 2 Foot Elevation Contours

 Index

 Intermediate



PID: 3112022130010  
Address: 56 Address Unassigned,  
Dayton 00000  
Owner: Hennepin Forfeited  
Land  
Acres: 9.08

### Comments:

Tax Forfeit property, 18XXX territorial  
Road

1:4,800



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# Hennepin County Natural Resources Map

Date: 9/13/2024

## Legend

 FEMA Floodplains - 100 Year

 National Wetlands Inventory

### 2 Foot Elevation Contours

 Index

 Intermediate



PID: 3112022410006  
Address: 17601 Territorial Rd,  
Dayton 55369  
Owner: Cemstone Products  
Company  
Acres: 27

### Comments:

C. Cemstone/Railroad Spur

1:4,800

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