

2017-2019 Strategic Plan Summary Report

January, 2017



Economic Development Commission

November 17, 2016

RE: FY 2017-2019 Strategic Plan- Lakeville Economic Development Commission

Dear Chair Starfield,

I am pleased to present this FY 2017-2019 Strategic Plan and Summary Report to the Lakeville Economic Development Commission. The plan reflects the Commission's commitment to strategic thinking, measurable results and the delivery of quality services.

Thank you for the opportunity to assist the EDC with this project. You, the Economic Development Commission and senior staff are to be commended for your dedication and effort.

I also want to thank Community and Economic Development Director Dave Olson, and Economic Development Specialist Rick Howden for the help and support provided during the process.

Yours truly,

A handwritten signature in black ink, appearing to read 'C. Rapp', written in a cursive style.

Craig R. Rapp
President

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Executive Summary

On Thursday, September 29, and Thursday, October 27, 2016 the Lakeville Economic Development Commission and senior staff engaged in a strategic planning process. The sessions yielded a draft strategic plan for the three-year period 2017-2019.

The strategic plan consists of a set of four **strategic priorities**, which are the issues of highest priority for the next three years. Within each strategic priority is a set of **desired outcomes**, **key outcome indicators**, and **performance targets**, which describe expected results and how the results will be measured. To ensure the follow-through, the plan also includes a list of **strategic initiatives**, which define the actions that will be taken to achieve the targeted outcomes.

At the initial planning meeting on September 29, the group reviewed their operating environment and identified a list of economic development challenges facing the community. Based upon those challenges, on October 27, the group identified a set of strategic priorities for the performance period. This was followed by the development of a set of key outcome indicators (KOI's) for each priority, which defined desired outcomes and measurable targets.

During the month of December, city staff developed the initiatives and action plans necessary to achieve each of the targeted outcomes.

The strategic priorities, key outcome indicators, and strategic initiatives are summarized on the following page.

Lakeville EDC- Strategic Plan Summary 2017-2019

Strategic Priority	Desired Outcome	Key Outcome Indicator (KOI)	Target	Strategic Initiatives
Business Retention and Expansion	Limit loss of existing business	-Lakeville business inventory -Bldg. permits	No net loss over three years	-Update and monitor current business database with info on expansions and job growth
	Lakeville is the first choice for expansion	-Business expansion & relocation lists	>75% of current businesses expand rather than relocate	-Communicate to existing businesses the benefits of expanding in Lakeville
	Have a clear understanding of relocation and expansion decisions	-Interview results -Expansion & relocation reports	> 60% of all businesses report on relocation and expansion decisions -EDC and City Council understand relocation and expansion requirements	-Implement a system to follow-up with businesses that choose to expand in Lakeville or elsewhere to determine factors that impacted location decisions --Periodically report to EDC and City Council on information received
Maintain a Competitive Edge	Be <u>the</u> community of choice	Competitive data on development decisions	Track wins/conversion rate by year and improve % of wins each year	-Review 2012 City Business Marketing Plan and improve and expand as necessary - Continue review of regulatory processes and development fees
	Be <u>the</u> community of choice	-Industry evaluations - Survey results	Improve C/I Real Estate industry recognition, awareness and opinion of Lakeville	-Review incentives guidelines-for measurable ROI's -Communicate and publicize major commercial and industrial expansions and new construction projects
Housing to Support Economic Goals	Balanced housing options to support market demands	Housing inventory	250 additional higher density units that address needs	-Work with developers to identify scattered sites that are potential sites for higher density development
	Housing developed in areas that stimulate/enhance commercial development	Sites that leverage commercial development	2 sites developed	-Work with developers to obtain the necessary approvals to allow construction to commence
	Policy guidance in place to achieve a variety of housing in the city	-Policies -Comprehensive plan	New comp plan update w/ new provisions & zoning ordinance changes-by end of 2019	-Work with Planning staff and consultant to identify future sites and zoning districts to be guided for higher density development
Workforce	More quality jobs	-DEED reports -Incentives reports	200 new jobs paying over \$60k/yr.	-Review current TIF and Tax Abatement policies to better correlate assistance levels to proposed wage levels
	Improved access to specialized training & education	-List of available providers	A commitment for a higher education presence and/or availability for local businesses and residents	-Initiate discussions with existing higher education providers -Pursue possible partnerships or collaborations with Chamber of Commerce, School Districts, and Higher Education Providers

Strategic Planning Process

Strategic planning is a process that helps leaders examine the current state of the organization, determine a desired future state, establish priorities, and define a set of actions to achieve specific outcomes. The process followed by the Economic Development Commission was designed to answer four key questions: (1) Where are we now? (2) Where are we going? (3) How will we get there? (4) What will we do?

Assessing the Current Environment, Setting Direction

On Thursday, September 29, the Lakeville Economic Development Commission began the strategic planning retreat by discussing the need for a compelling vision, or “Why?” As a result of that discussion, the group reviewed the current community vision statement developed for Envision Lakeville, and concluded that it fairly represented their “Why”. The statement follows:

City of Lakeville Vision:

“We envision a thriving, multi-generational community where families, friends, and neighbors connect, live, learn, work, and play. Great schools; a diverse local economy; exceptional parks, trails, and recreational opportunities; vibrant social and cultural institutions; safe neighborhoods; and responsive and cost-effective public services— together create a place we are proud to call home.”

The group then turned to a discussion of the City’s values and mission statements, along with the mission statement of the EDC to ensure that they were aligned. Again, upon review, they agreed that the EDC’s mission statement aligned well with the mission and values of the City of Lakeville. The City’s Mission and Values statements, and the EDC mission statement follow:

City of Lakeville Mission:

The City of Lakeville provides the foundation for healthy neighborhoods and successful businesses by investing in:

- Comprehensive planning
- High quality and efficient services
- Citizen participation
- Effective partnership

City of Lakeville Values (from Envision Lakeville):

Diversified Economic Development

- We value the stability and independence provided by a strong, diversified local economy.

Good Value for Public Services

- We value high-quality public services delivered cost effectively.

Safety Throughout the Community

- We value living in a community where people feel safe everywhere they go.

Design That Connects the Community

- We value a well-designed community and we place a priority on development that enhances connectivity and accommodates our changing needs.

High Quality Education

- We value and are committed to high quality education that sets us apart.

A Home for All Ages and Stages of Life

- We value living options for people of all ages and stages of life.

A Sense of Community and Belonging

- We value the sense of belonging that comes from our traditions and institutions, and we strive to support and preserve them.

Lakeville Economic Development Commission Mission:

“The EDC develops strategies and communicates benefits that will make Lakeville the best choice for decision-makers considering business location and expansion.”

Reviewing the Environment, Setting Strategic Priorities

Following the review of the vision, mission and values, the Commission began the process of developing the strategic plan. The first step taken in the process was an assessment of the environment within which the City operates. This was done via a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis: a process that examines the organization’s internal strengths and weaknesses, as well as the opportunities and threats in the external environment. To facilitate this, a SWOT questionnaire was distributed to the Commission and senior staff in advance of the planning session. The SWOT process revealed the most frequently mentioned characteristics in each area:

STRENGTHS

- Affluent community
- Great infrastructure, including:
 - Location
 - Rail, airport, highways
 - Governance
 - Public safety
 - Education-highly educated/skilled workforce
- Potential availability for residential and commercial development

WEAKNESSES

- Housing
 - Affordability
 - Variety/Diversity
- Labor
 - Workforce training
 - High skill/high wage jobs
 - Overall labor availability

OPPORTUNITIES

- Available land
- Incentive packages
- Population growth supporting retail
- Housing growth/types and options

THREATS

- Compete (ability to)
 - Infrastructure—roads, County/State, technology access, high tax state, County culture, finance
 - Incentives
 - Regulations
 - Increasing cost of land
 - Real estate market
 - Development costs
- Workforce
 - Housing available products
 - Current unemployment rate(s)
 - Skill gap
 - Aging populace
 - Public transportation
- Outside Influences
 - Economic setbacks-national/political-recession
 - State available assistance/impacts—tools, etc.
 - Met Council policy

The group then engaged in an exercise using the summarized SWOT data. They compared strengths with opportunities and weaknesses with threats, to determine which opportunities would maximize strengths, and which weaknesses would be exacerbated by the threats. This effort helped to crystalize the current challenges and opportunities facing the community. The results of this analysis are listed below:

STRENGTHS-OPPORTUNITIES

(Make good things happen)

- Pursue commercial/retail development
- Develop a variety of housing options
- Provide strategic incentives to facilitate residential, commercial and industrial development

WEAKNESSES-THREATS

(Keep bad things from happening)

- No workforce “match”
 - Existing residents – skillset
 - Existing business’ needs
- Transportation to jobs

- Housing to meet needs
- Need to maintain competitive “edge”

Following this exercise, the group examined the results, and then engaged in additional brainstorming to identify a broad set of economic development issues and challenges facing the community:

ISSUES/CHALLENGES

- Housing
- Transportation
- Commercial/retail development
- Workforce matching needs
- Competitive edge/position
- Jobs to match existing/growing population
- High land costs
- High development costs
- Met Council/outside mandates

Once the current challenges were identified, the group discussed the issues that were most important to the community over the next three years to meet those challenges. From that discussion, a set of four Strategic Priorities emerged. They are:

STRATEGIC PRIORITIES

1. Business retention and expansion
2. Maintain a competitive edge
3. Housing to support economic goals
4. Workforce

Determining Success: Defining the Desired Outcomes, Key Indicators, and Targets

After identifying strategic priorities, the group developed a set of desired outcomes for each. Once the outcomes were established, Key Outcome Indicators (KOI's) were defined and Performance Targets were developed. KOI's are things that are measured or tracked to monitor progress toward desired outcomes. Performance Targets define successful outcomes, expressed in measurable terms.

The alignment created between priorities, outcomes and targets is important, not only for clarity, but also for maintaining a disciplined focus on the desired results.

Key Outcomes, Indicators, and Targets, by priority are:

1. Business retention and expansion

- a. Outcome: Limit loss of existing business; KOI: Lakeville business inventory, building permits; Target: No net loss over three years
- b. Outcome: Lakeville is the first choice for expansion; KOI: Business expansion & relocation lists; Target: > 75% current businesses expand rather than relocate
- c. Outcome: Have a clear understanding of relocation and expansion decisions; KOI: Interview results, expansion & relocation reports; Target: > 60% of all businesses report on relocation and expansion decisions, EDC and City Council understand relocation and expansion requirements

2. Maintain a competitive edge

- a. Outcome: Be the community of choice; KOI: Competitive data on development decisions; Target: Increase wins/conversion rate by 75%
- b. Outcome: Be the community of choice; KOI: Industry evaluations, Survey results; Target: Improve RE industry opinion by 60%

3. Housing to support economic goals

- a. Outcome: Balanced housing options to meet market demands; KOI: housing inventory; Target: 250 additional higher density housing units that address needs
- b. Outcome: Housing in areas that stimulate/enhance commercial development; KOI: sites that leverage commercial development; Target: 2 sites developed
- c. Outcome: Policy guidance in place to achieve a variety of housing in the city; KOI: policies, comprehensive plan; Target: New comp plan update w/ new provisions & zoning ordinance changes-by end of 2019

4. Workforce

- a. Outcome: More quality jobs; KOI: DEED reports, incentive reports; Target: 200 new jobs paying over \$60k/year
- b. Outcome: Improved access to specialized training & education; KOI: List of available providers; Target: A commitment for a higher education campus

Implementing the Vision: Developing Strategic Initiatives and Action Plans

To successfully address the strategic priorities and achieve the intended outcomes expressed in the performance targets, it is necessary to have a focused set of actions, including detailed implementation steps to guide organizational effort. The Economic Development Commission will accomplish this through strategic initiatives for each priority. Strategic initiatives are broadly described, but narrowly focused activities that are aligned with the priorities, and targeted to the achievement of outcomes expressed in the KOI's.

In December, senior staff developed a set of strategic initiatives, and detailed action steps, summarized below:

1. **Business retention and expansion**

- a. Update and monitor current business database with info on expansions and job growth
- b. Communicate to existing businesses the benefits of expanding in Lakeville
- c. Implement a system to follow-up with businesses that choose to expand in Lakeville or elsewhere to determine factors that impacted location decisions
- d. Periodically report to EDC and City Council on information received

2. **Maintain a competitive edge**

- a. Review 2012 City Business Marketing Plan and improve and expand as necessary
- b. Continue review of regulatory processes and development fees
- c. Review incentives guidelines-for measurable ROI's
- d. Communicate and publicize major commercial and industrial expansions and new construction projects

3. **Housing to support economic goals**

- a. Work with developers to identify scattered sites that are potential sites for higher density development
- b. Work with developers to obtain the necessary approvals to allow construction to commence
- c. Work with Planning staff and consultant to identify future sites and zoning districts to be guided for higher density development

4. **Workforce**

- a. Review current TIF and Tax Abatement policies to better correlate assistance levels to proposed wage levels
- b. Initiate discussions with existing higher education providers
- c. Pursue possible partnerships or collaborations with Chamber of Commerce, School Districts, and Higher Education Providers

Strategic Planning Participants

The strategic plan was developed with the hard work and dedication of many individuals. The Commission, with its foresight and dedication led the way, taking time out their schedules to commit to long-term thinking. They defined a direction and a set of outcomes that are important to the community. The senior staff supported the Commission and offered challenges to conventional thinking.

Economic Development Commission

Glen Starfield, *Chair*

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City Administration-Department Staff

Justin Miller, *City Administrator*

David Olson, *Community and Economic Development Director*

Rick Howden, *Economic Development Specialist*