

Final Report of the Wright County, Minnesota Economic Development Authority Advisory Committee

November 10, 2020

Wright County is exploring the option of establishing a County economic development authority (EDA). As part of this process, and in accordance with Minnesota Statutes, Section 469.1082 (see [Appendix A](#)), the County commissioned an EDA Advisory Committee to discuss the possible role of a new County EDA and provide the statutorily required recommendations. The County solicited applications and invited individuals to participate, with each of the Township, City, HRA/EDA, and County representatives then named to the Committee by their respective governing bodies. The Committee met on August 12 and October 29, 2020.

Township Representatives

Shannon Bye	Monticello Township
Greg Eckblad	Rockford Township
Gene Janikula	Woodland Township

City and City HRA / EDA Representatives

Kris Crandall	City of Clearwater
Nick Haggemiller	City of Howard Lake
Jennifer Nash	City of Buffalo
Corey Tanner	City of Otsego
Marc Weigle	City of St. Michael

Nonprofit Development Organization and Business Representatives

Jolene Foss	Wright County Economic Development Partnership
Wayne Elam	Commercial Realty Solutions
Brian Matzke	Citizens State Bank of Waverly

County Representatives

Mike Potter	Wright County Commissioner
Darek Vetsch	Wright County Commissioner (Committee Chair)

Non-Voting Committee Participants

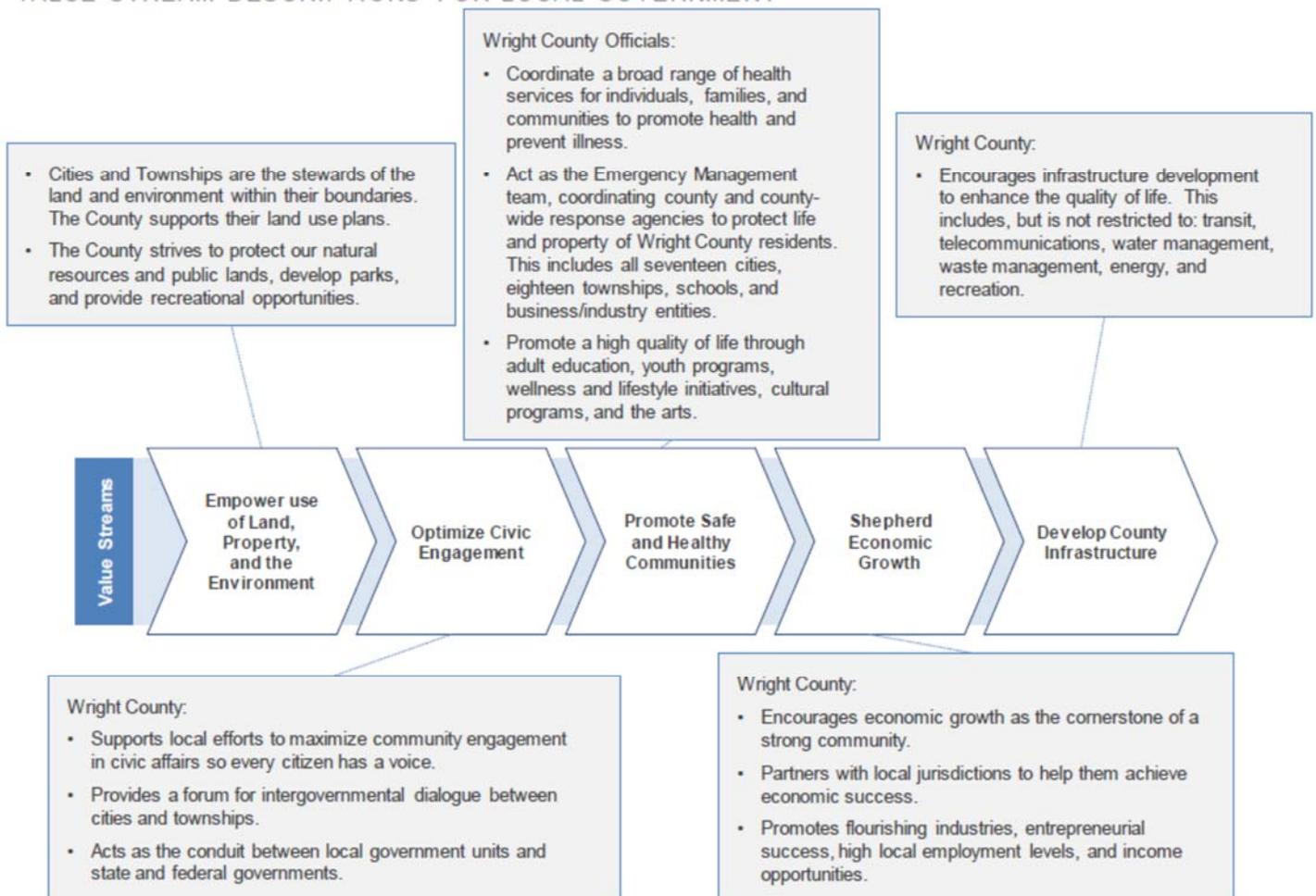
Lee Kelly	Wright County Administrator
Bruce Kimmel	Ehlers

Advisory Committee Context and Mandate

The County’s primary motivation to explore the potential creation of an EDA is its desire to facilitate and guide the redevelopment of its current Government Center and Health & Human Services properties in Buffalo, following the completion and occupancy of the new Government Center in Fall 2021. EDAs have the statutory authority to engage in a variety of development-related activities that counties themselves do not possess. In addition, the County has identified five value streams that define and guide its work across all areas and departments. One of these value streams is to “shepherd economic growth” and the County sees an EDA as a possible vehicle to partner efficiently and effectively with other jurisdictions and groups in promoting economic development and success across Wright County.

Step 1-A: Visual

VALUE STREAM DESCRIPTIONS FOR LOCAL GOVERNMENT



As such, the County Board’s mandate to the Advisory Committee is two-fold: First, the Committee must report on several topics listed in M.S. 469.1082, including a “recommendation for the preferred organizational option for a county economic development service provider”. And second, the Committee should discuss and share thoughts on the broader question of whether and how a potential County EDA should partner with other organizations in economic development efforts.

Committee Findings and Recommendations

1. Identification of the current level of economic development, housing, and community development programs and services provided by existing agencies

There is no statutory requirement for how detailed this first, “level-setting” finding must be. Nevertheless, to better understand the current development services landscape, the Committee distributed a survey to more than 70 elected and appointed officials, representing every city and township within the County. The survey found that most cities have either an EDA and/or a housing and redevelopment authority (HRA), although the level of EDA / HRA activity (including board meetings, defined objectives and work plans, and dedicated staff capacity) varies widely.

Meanwhile, most but not all of the township representatives that answered the survey do not envision an active role for their jurisdictions in promoting economic development. And entities across the County are mixed in their level of engagement with the Wright County Economic Development Partnership (WCEDP): a not-for-profit organization focused on assisting existing, start-up, and relocating businesses” and enhancing the economic vitality of the region.

Several survey respondents identified a prospective, positive role for the EDA in assisting their local efforts, augmenting WCEDP’s existing capacities, and making the County more competitive in the Twin Cities metropolitan area. See [Appendix B](#) for a detailed summary of survey responses.

2. Identification of any existing gaps in programs and services, and the capacity and ability of those agencies to expand their activities

No existing agency possesses the capacity or legal authority to fulfill the role of a County EDA, in terms of partnering with cities and townships – and possibly using EDA-specific financing tools – to help achieve projects across Wright County. WCEDP is a critically important County-wide resource for attracting, retaining, and growing business, and should continue to take the lead in these efforts. But the prospective role of a County EDA differs from that of WCEDP, and there is no legal mechanism by which the County could assign EDA powers and financing tools to WCEDP.

3. *Recommended organizational option for providing needed economic development, housing, and community development services in the most efficient, effective manner.*
 - a. *establishment of a county economic development authority to operate under sections 469.090 to 469.1081;*
 - b. *requiring an existing county housing and redevelopment authority or multicounty housing and redevelopment authority to operate under the above sections;*
 - c. *that the county pursue special legislation; or*
 - d. *no change in the existing structure.*

The Committee recommends the establishment of a County economic development authority.

4. *Area of EDA operation*
 - a. *All cities and townships that have adopted resolutions electing to participate.*
 - b. *Any city or township shall have the option to adopt a resolution to prohibit the County EDA from operating within its boundaries and within an agreed-upon urban service area, or within the distance approved in the committee report.*
 - c. *If city or township opts out, its taxpayers shall not be subject to an EDA tax levy.*

If the County establishes an EDA, the Committee suggests that the County seek to promote understanding of the County EDA by distributing the following to all city and township officials:

- Description of the County EDA's planned board composition, powers, and activities, and authorities not expected to be exercised (e.g. EDA tax levy) – see Sections 5-7 below;
- Declaration that the EDA will have no authority or interest in land use / planning issues;
- Request that cities and townships elect to participate in the County EDA;
- Template resolution for city council and township board consideration.

The Committee also recommends that the “opt out distance” for any city or township electing not to participate be limited to that entity’s present and future corporate boundaries.

5. County EDA Board Composition

Given the County’s anticipated limited scope of activity for the prospective EDA, the Committee believes it would be efficient and practical for the EDA Board to be composed of the five County Commissioners plus two non-County members. The Committee agreed that it would be logical for WCEDP to be represented on the board, and perhaps also a city that is actively engaged in development efforts. And finally, the Committee suggests that the EDA revisit its organizational after two years of operations, to determine whether the initial Board makeup remains optimal.

6. County EDA Powers

The Committee recommends that the County EDA, if established, retain the powers and rights of an authority under Minnesota Statutes, Sections 469.090 to 469.1081. The Committee, however, understands that the County Board has no intent for the EDA to levy its own dedicated property tax (as authorized in Section 469.107) in the foreseeable future, agrees with this position, and suggests that the County advise cities and townships of this expectation.

Assuming the County establishes an EDA, two of the EDA's first actions will be to establish bylaws and rules of procedure, and to request that cities and townships "opt into" the County EDA's area of operation. The Committee recommends that the EDA bylaws include an obligation for the EDA to conduct a new "opt in / opt out" process for all cities and townships should a future County Board and EDA Board decide to implement an EDA tax levy.

7. County EDA Role, Activities and Partnerships

Recognizing that public agency roles and missions evolve over time, the Committee agreed that the County EDA should focus its efforts on three primary areas:

- Facilitate and guide the redevelopment of the current County Government Center and Health & Human Services properties in Buffalo;
- Partner with local communities and WCEDP in their respective efforts to achieve specific projects and advance broader development initiatives; and
- Leverage state and federal resources that are available mainly to larger public development agencies, as has been demonstrated by other Minnesota County EDAs

These three focal points were the consensus of Committee discussions, and are underscored by several comments provided in the EDA survey noted above:

- We would like to see a county-level EDA that could supplement the city's business programs when we don't have sufficient resources to help small businesses get up and running. Our community is too small to support a robust grant or loan program, and lenders are often wary of start-ups.
- A County EDA would provide additional muscle to the County's ability to compete for economic development projects. From my perspective, the County has traditionally had a hands-off approach to development - if it happens, fine, but we're not going to encourage

it. This has forced cities to carry most of the water in terms of economic development. I do believe the County's approach has changed in recent years for the better in that regard and the County's actions to support business development has been great. A cohesive approach between a County EDA, WCEDP, and cities/EDAs/HRAs can provide a more business-friendly environment that can result in more tax base growth, more jobs, and a more well-rounded developing County.

- I would like the County to be more proactive. This would include having dedicated staff to seek opportunities, respond to project RFP's, develop policies for incentives, additionally this person would be a resource to each of the cities as well. Ultimately, I don't know what entities need to exist (County, WCEDP)...whatever is most effective is what I recommend.
- I believe the current WCEDP model has been very beneficial as it is not seen as a 'government' entity and encourages the engagement of private businesses and utilities. I would like to see the County EDA stay focused on redevelopment/development of County property and expanding/providing any financial incentives/programs to businesses within the County that the WCEDP doesn't have the resources to do.

One city survey respondent encouraged a broader County EDA scope:

- I also believe the County SHOULD consider a small [EDA tax levy]. Wright County remains one of the lowest taxed counties in the state; our needs are not being met. The disparity between the I94 Corridor and the southwest continues to grow. A small tax would be a very quick, low pain, big gain to equalize matters. For an analogous example to this - look no further than the good efforts that have resulted from a simple wheelage tax.

One township respondent, meanwhile, discouraged the formation of a County EDA:

- The development will take place as it needs to take place and as County zoning permits. Citizens are able to develop as they have need and opportunity. Another layer of government will not help, but likely waste more time and favor those who would not otherwise be successful....NO new county EDA. Waste of time, money and energy.

Nevertheless, most survey takers joined with the Committee majority in voicing support for a targeted, limited-scope County EDA - and ongoing communication and partnership with local jurisdictions and WCEDP - to advance the County's interest in shepherding economic growth.

Appendix A: Minnesota Statutes 2019, Section 469.1082

/COUNTY ECONOMIC DEVELOPMENT AUTHORITY OR HOUSING AND REDEVELOPMENT AUTHORITY WITH ECONOMIC DEVELOPMENT POWERS.

Subdivision 1. **Authority to create.** A county may form a county economic development authority or grant a housing and redevelopment authority the powers specified in subdivision 4, clause (2), if it receives a recommendation to do so from a committee formed under subdivision 2. An economic development authority established under this section has all the powers and rights of an authority under sections 469.090 to 469.1081, except the authority granted under section 469.094 if so limited under subdivision 4. This section is in addition to any other authority to create a county economic development authority or service provider.

Nothing in this section shall alter or impair any grant of powers, or any other authority granted to a community development agency, a county housing and redevelopment authority, or any county as provided in section 383D.41; Laws 1974, chapter 473, as amended; or Laws 1980, chapter 482, as amended. Any county that has granted economic development powers to a community development agency or a county housing and redevelopment authority under any of these provisions may not form a county economic development authority or grant a housing and redevelopment authority the powers specified in subdivision 4, clause (2).

Subd. 2. **Local committees.** Upon notice to all local government units and development agencies within the county, a county may adopt a resolution to create a committee to recommend options for a county economic development service provider.

The committee shall consist of no fewer than 11 and no more than 15 members appointed by the county board. At least one city official, at least one housing and redevelopment official, and at least one township official from the county to be served by the county economic service provider shall be included on the committee. Members may also represent school districts, political subdivisions that currently provide services under sections 469.001 to 469.047 and 469.090 to 469.1081, nonprofit or for-profit housing and economic development organizations, business, and labor organizations located within the county. Political subdivision representatives must be selected by their local governments and must constitute at least 50 percent of the total committee membership. The county may appoint no more than two county commissioners. The committee shall select a chair at its initial meeting.

Subd. 3. **Committee report.** The committee shall issue its report within 90 days of its initial meeting. The committee may request one 60-day extension from the county board. The report must contain the committee's recommendation for the preferred organizational option for a county economic development service provider, including the distance from the boundary of the city that may be controlled by each affected city in subdivision 5. The distance may not exceed two miles from the city boundary. The report must contain written findings on issues considered by the committee including, but not limited to, the following:

(1) identification of the current level of economic development, housing, and community development programs and services provided by existing agencies, any existing gaps in programs and services, and the capacity and ability of those agencies to expand their activities; and

(2) the recommended organizational option for providing needed economic development, housing, and community development services in the most efficient, effective manner.

Subd. 4. **Organizational options.** The committee may only recommend:

- (1) establishment of a county economic development authority to operate under sections 469.090 to 469.1081, except that the county shall not have the powers of section 469.094 without the consent of an existing county housing and redevelopment authority operating within that county. For the purposes of a county economic development authority's operation, the county is considered to be the city and the county board is considered to be the city council;
- (2) requiring an existing county housing and redevelopment authority or multicounty housing and redevelopment authority to operate under sections 469.090 to 469.1081;
- (3) that the county pursue special legislation; or
- (4) no change in the existing structure.

Subd. 5. **Area of operation.** The area of operation of a county economic development service provider created under this section shall include all cities and townships within a county that have adopted resolutions electing to participate. A city or township may adopt a resolution electing to withdraw participation. The withdrawal election may be made every fifth year following adoption of the resolution electing participation. The withdrawal election is effective on the anniversary date of the original resolution provided notice is given to the county economic development authority not less than 90 nor more than 180 days prior to that anniversary date. The city or township electing to withdraw retains any rights, obligations, and liabilities it obtained or incurred during its participation. Any city or township within the county shall have the option to adopt a resolution to prohibit the county economic development service provider created under this section from operating within its boundaries and (1) within an agreed-upon urban service area, or (2) within the distance approved in the committee report referenced in subdivision 3. If a city or township prohibits a county economic development service provider created under this section from operating within its boundaries, the city's or township's property taxpayers shall not be subject to the property tax levied for the county economic development service provider.

Subd. 6. **City economic development authorities.** If a county economic development service provider has been established under this section, existing city economic development authorities shall continue to function and operate under sections 469.090 to 469.1081. Additional city economic development authorities may be created within the area of operation of the county economic development service provider created under this section without the explicit concurrence of the county economic development service provider.

Subd. 7. **Continuation of existing county and multicounty housing and redevelopment authorities.** Existing county and multicounty housing and redevelopment authorities shall continue to function and operate under the provisions of sections 469.001 to 469.047.

Subd. 8. **Nine-member boards authorized.** In addition to the board options under section 469.095, a county economic development authority may have a nine-member board. If the authority has a nine-member board, at least two members must be county commissioners appointed by the county board. Of the county economic development authority board members initially appointed, two each shall be appointed for terms of one, two, or three years, respectively, and one each for terms of four, five, or six years, respectively. Thereafter, all authority members shall be appointed for six-year terms.

History: 2000 c 484 art 1 s 4; 1Sp2005 c 1 art 4 s 106; 1Sp2005 c 3 art 7 s 10; 2010 c 347 art 1 s 25

Appendix B: Summary of City and Township Survey Results

City	EDA	Mtgs	HRA	Mtgs	Staff	Active EDA/ HRA Programs?	Active with WCEDP?
Buffalo	No	n/a	Yes	Monthly	HRA	Yes - Focus on Downtown	Yes
Clearwater	New in 2020	Monthly	No	n/a	City	Planning for 2021	Not Yet
Cokato	Beginning	n/a	No	n/a	n/a	Not Yet	In Contact
Delano	Yes	2X Month	No	n/a	City	Yes - Bus Park and Downtown	Yes
Hanover	Yes	Monthly	No	n/a	City	Yes - Mainly Loans / Grants	Yes
Howard Lake	Yes	As Needed	Yes	As Needed	City	Yes - Multiple Initiatives	Occasional
Maple Lake	Yes	As Needed	Yes	Never	City	Yes - Marketing and Incentives	Yes
Monticello	Yes (with HRA Powers)	2X Month	See EDA	See EDA	City	Yes - Extensive Work Plan	Yes
Montrose	Yes	Monthly	No	n/a	No	Ramping Up	In Contact
Otsego	Yes	Annual	No	n/a	No	City leads Econ Development	Yes
Rockford	Yes	As Needed	No	n/a	City	Yes - Marketing, Loans/Grants	Occasional
St. Michael	Yes	Monthly	No	n/a	City	Yes - Mainly Advisory to City	Yes

Tax Levies: Buffalo, Dayton, Hanover, Monticello, and St. Michael levied EDA/HRA taxes in 2020.

Township Survey: Representatives of Cokato, Corinna, Middleville, Monticello, Rockford, and Woodland Townships submitted survey responses. Respondents largely indicated a “hands off” approach to economic development, with more interest in land use and annexation issues. Only Woodland Township expressed interest and active participation with WCEDP. Several townships expressed uncertainty and/or skepticism regarding the scope and benefit of a County EDA.