

ECONOMIC DEVELOPMENT

Economic health is an important component of a healthy and thriving community. A strong commercial and industrial base provides jobs to community residents, contributes to a city's tax base, and can be a source of psychological strength to a community. This can best be explained when one compares a downtown area consisting of boarded up buildings with one that has a thriving business sector. The community with the vacant or boarded up buildings appears listless and drab, while the one with the strong business community is lively, busy, and thriving.

A diverse economic base is needed to allow the city to survive economic downturns. The city currently has several significant employers and an ever-expanding list of small businesses.

INVENTORY AND ANALYSIS

EMPLOYMENT

According to the 2000 Census, 34 percent of Sartell's employed residents work outside their county of residence. Of those living in the Benton County portion of Sartell, 74 percent work outside the county, while only 25 percent of those in the Stearns County portion of Sartell work outside the county. On average, Sartell residents spend nearly 20 minutes commuting to work.

Although the 2000 Census data is not yet available, the number of individuals commuting to the Twin Cities is expected to have increased during the past decade. On the other hand, the presence of significant employers within the city has a reverse effect. Many employees of DeZurik and International Paper commute to the city from the surrounding area.

Major Employers

Table 4-1 shows the major employers in Sartell and the products or services they provide. International Paper is Sartell's largest employer followed by DeZurik. The major employers in Sartell are diverse; several industries are represented rather than one dominant industry. A diversified employment base is often considered desirable. A community with a diverse range of employment base is more able to weather industry fluctuations.

**Table 4-1
Major Employers
City of Sartell
2008**

<u>Employer</u>	<u>Product/Service</u>	<u># of Employees</u>
Verso Paper	Paper mill	475
Country Manor Health	Healthcare/nursing home	470
I.S.D. No. 748 (Sartell-St. Stephen)	Elementary and secondary edu.	419
Sartell Valves, Inc.	Manufacture industrial valves	270
Coborn's	Corporate headquarters and grocery stores	261
Merrill Corporation	Printing and distributing	247
Array Services Group	Third party debt collection	225
CH Robinson	Transportation brokerage firm	85
City of Sartell	Municipal government and services	77
Abbott Northwestern Sartell Outpatient Center	Healthcare	75

Source: Written and phone survey (July, 2008), *2008 Minnesota State Business Directory* and the *2008 Minnesota Manufacturers Register*

ECONOMIC DEVELOPMENT

Similarly, Table 4-2 shows the largest taxpayers in Sartell. Again, these facilities vary in the types of products/services they provide from industrial to commercial to residential leasing.

**Table 4-2
Larger Taxpayers
City of Sartell
2008**

<u>Taxpayer</u>	<u>Type of Property</u>	<u>2001/02 Assessor's Taxable Market Value</u>
Verso Sartell LLC	Industrial	\$25,277,800
Allina Health System	Commercial	\$16,045,900
Sartell Partners LLC	Commercial	\$10,713,500
Amsden II/Pinecone LLC	Commercial	\$8,929,700
General Foundation Healthcare Cont.	Apartments	\$8,987,300
Ferche Development LLC	Commercial	\$8,852,300
St. Cloud Medical Group	Commercial	\$7,812,700
Grandview Estates LLC	Apartments	\$12,175,800
Xcel Energy	Utility	\$5,917,900
Northwest Professional Center LLC	Commercial	\$5,901,600
Total		110,614,500

Source: Benton and Stearns Counties

ECONOMIC DEVELOPMENT

Table 4-3 shows in what industries Sartell residents work. The education, health and social services industry employs more of Sartell's citizens, 1,356, than any other industry. This industry provides 26 percent of the jobs for the city's employed residents. Manufacturing and retail trade provide a large number of jobs for Sartell residents as well.

**Table 4-3
Employment by Industry
City of Sartell
2000**

Industry	Number of Workers	Percent of Workers
Agriculture, forestry, fishing and hunting, and mining	0	0
Construction	310	5.9
Manufacturing	875	16.8
Wholesale trade	219	4.2
Retail trade	805	15.4
Transportation and warehousing, and utilities	231	4.4
Information	153	2.9
Finance, insurance, real estate, and rental and leasing	281	5.4
Professional, scientific, management, administrative, and waste management services	296	5.7
Educational, health and social services	1,356	26
Arts, entertainment, recreation, accommodation and food services	316	6.1
Other services (except public administration)	214	4.1
Public administration	167	3.2
Total	5,223	100

Source: US Census

ECONOMIC DEVELOPMENT

Table 4-4 shows in what occupations Sartell residents are employed. The greatest number, 36 percent, of Sartell's working residents are employed in managerial, professional and related occupations, followed by sales and office occupations.

**Table 4-4
Occupation by Type
City of Sartell
2000**

Occupation	Number of Workers	Percent of Workers
Management, professional, and related occupations	1,866	35.7
Service occupations	653	12.5
Sales and office occupations	1,405	26.9
Farming, fishing, and forestry occupations	0	0
Construction, extraction, and maintenance occupations	361	6.9
Production, transportation, and material moving occupations	938	18
Total	5,223	100

Source: US Census

INCOME

As shown in Table 4-5, sixty two percent of the households in Sartell have an income between \$35,000 and \$99,999. The median household income for the city is \$52,531, which is higher than the statewide median household income of \$47,111. Sartell has the highest median household and family incomes among the cities in the St. Cloud metro area as shown in Table 4-6.

**Table 4-5
Household Income
City of Sartell
2000**

Income	Number of Households	Percent of Households
Less than \$10,000	152	4.5
\$10,000 to \$14,999	210	6.2
\$15,000 to \$24,999	279	8.2
\$25,000 to \$34,999	301	8.9
\$35,000 to \$49,999	620	18.3
\$50,000 to \$74,999	968	28.5
\$75,000 to \$99,999	534	15.7
\$100,000 to \$149,999	211	6.2
\$150,000 to \$199,999	55	1.6
\$200,000 or more	62	1.8

Source: US Census

**Table 4-6
Median Household Income
St. Cloud Metro Area Cities
2000**

City	Median Income	
	Household	Family
St. Cloud	\$37,346	\$50,460
St. Joseph	\$38,939	\$44,737
Sartell	\$52,531	\$61,056
Sauk Rapids	\$45,857	\$53,938
Waite Park	\$33,803	\$43,415

Source: US Census

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT ENTITIES

Following are the primary economic development organizations serving Sartell:

- Sartell Economic Development Authority (EDA) – The Sartell EDA was established in 1998. It coordinates and administers economic development plans and programs for the city. The EDA is a "blended" body of the city Council. The Council has authority over the EDA. **The city cannot, at this time, be the developer of a city industrial/business park.**
- Sartell Economic Development Commission (EDC) – The purpose of the EDC is to be ambassadors of development for the city.
- Department of Trade and Economic Development (DTED) - DTED provides support to local municipalities particularly geared towards retaining businesses within the state of Minnesota. DTED will provide help with creating an economic development plan and identifying strategies to implement the plan. Financial assistance is available in the form of a variety of loans and grants such as the Contaminated Site Cleanup grant program, which is designed to assist communities in converting brownfields back into marketable/developable industrial and commercial land.
- St. Cloud Area Economic Development Partnership, Inc.
- St. Cloud Area Chamber of Commerce
- Sartell Chamber of Commerce

ECONOMIC DEVELOPMENT TOOLS

Following are some of the key tools and resources utilized by the city of Sartell for economic development:

Tax Increment Financing (TIF)

TIF is a tool used by cities and other development authorities to finance certain types of development/redevelopment costs. The public purposes of TIF are the redevelopment of blighted areas, construction of low and moderate-income housing, provision of livable wage employment opportunities, and improvement of tax base.

Tax Abatement

A law created in 1997 allows Minnesota communities to individually “abate” taxes on a parcel of land if the community can find that it is in the public interest. Such public-interest reasons may include to:

- Increase or preserve tax base
- Provide employment opportunities
- Help to acquire or construct public facilities
- Help redevelop blighted areas; or
- Help provide residents with access to services

POLICY PLAN

Following are the goals and strategies adopted by Sartell to address economic development.

Economic Development Goal #1: Recognize the need to create jobs and increase tax base by ensuring commercial, service sector, educational and industrial growth and maintaining existing businesses.

Strategies:

1. Target resources and programs to attract businesses that have an emphasis on job creation and business that meet or exceed livable wage requirements or address other public community needs.
2. Continue to support or expand local business retention and expansion initiatives.
3. Recognize the fundamental linkage between housing and economic development and work to match housing availability with community employment.
4. Encourage the telecommunications and energy industries to continue to provide the most current telecommunication infrastructure to support economic growth.
5. Continue to collaborate with the educational system, community organizations and the business community to ensure the availability of qualified workers and link employees with jobs.
6. Acknowledge and appreciate the business community for doing business, providing jobs and services and strengthening the community.
7. Pursue ways to streamline the development approval process.

Economic Development Goal #2: Promote efficient, planned commercial, service sector, educational, and industrial expansion within the city's growth areas, accessible to public infrastructure and transportation.

Strategies:

1. Identify key commercial and industrial development opportunities within the city's planned growth areas in locations with access to major transportation systems.
2. Encourage and facilitate infill development on remaining vacant parcels to ensure maximum efficiency of land use.

ECONOMIC DEVELOPMENT

3. Encourage compact and mixed-use commercial developments that will make efficient use of infrastructure and resources.
4. Encourage and facilitate industrial and commercial development through master planned industrial parks or business parks.
5. Support medical related uses within planned professional/medical parks.

Economic Development Goal #3: Enhance the character of the city's commercial, service sector, educational and industrial development.

Strategies:

1. Continue to support architectural, design or other development standards such as landscaping, screening and other standards within the city's commercial and industrial districts.
2. Continue to support the provision of open/green space with commercial and industrial development.
3. Promote the rehabilitation and redevelopment of older existing commercial facilities by continuing to pursue and make available various financial programs and assistance.

GENERAL PLAN

Following are additional plans and recommendations for the City of Sartell to address economic development.

3-YEAR ECONOMIC DEVELOPMENT PLAN

In August of 2000, the city approved a three-year economic development plan; the plan was revised in 2007. As part of that planning process, factors influencing the city's economic development potential were identified. The study revealed that Sartell has a number of economic development advantages.

Sartell has several locational advantages. The St. Cloud area serves as a strong regional center. The area's workforce is growing and traditionally has competitive wages. Sartell's location along Highways 10 and 15 provide good access to the regional transportation system. Sartell provides access to workforce up Highway 10 and west through St. Joseph. The fact that the St. Cloud metro is a "full service" community was also noted in the study.

Sartell offers competitive manufacturing wages. Businesses will find competitive sewer and water rates and taxes. The study noted that Sartell has a pro business reputation with minimal bureaucracy. Sartell has quality utility providers and its telecommunications infrastructure is competitive.

The city also provides many quality-of-life amenities that are attractive to businesses considering a Sartell location. The region has the presence of good health care facilities and higher education resources. The study pointed out that there is significant medical activity in the area, including St. Cloud Hospital, St. Cloud Medical Group and Allina.

According to the study, Sartell needs to have an industrial/business park with available land to capture its share of future growth. The land need not be the cheapest, but should be a business park with high standards.

The economic development plan provides a three-year economic development strategy for each of five primary topic areas:

- Existing Industry
- Land Development
- Incentives and Regulatory Processes
- Organizational Capacity
- Promotion

ECONOMIC DEVELOPMENT

The city should continue to utilize and implement the 3-year plan when possible; the full 2007 plan is included in Appendix C.

Retail Market Analysis

In 2006 the McComb Group completed a retail market analysis for the city of Sartell. The study identified seven existing retail areas and one future retail area. The seven existing areas are Downtown, Highway 15, Riverside Plaza, Sundance, Second Street, Meadowlawn, and Prairie Meadow; the potential retail area is Lodermeier near the intersection of CSAH 4 and CSAH 120. These seven retail areas currently consist of 76 service stores and 50 retail shops for a total of 126 businesses. Within the seven markets there were 14 vacant lots; five at Sundance and six at Prairie Meadow. Existing households and new residential development have caused retailers to focus mainly on Sundance and Meadowlawn for store locations. Although Downtown Sartell and Second Street serve a large trade area, they do not have the existing base of households that Sundance and Meadowlawn have. The study also outlines the nature of existing development in each retail area as well as potential for future development. These seven areas should serve as the focal point for future development. The entire report is included in Appendix D.

ECONOMIC DEVELOPMENT INITIATIVES

The following are initiatives the city has undertaken should continue implement/develop to facilitate economic development:

Municipal Subsidies Policy

Sartell adopted a municipal subsidies policy, which establishes guidelines and criteria regarding the use of municipal subsidies, such as tax increment financing (TIF), tax abatement, and other business subsidies for private development projects. The guidelines are used in processing and reviewing applications for municipal subsidies assistance.

Business Retention

Sartell should continue to work with major employers (and small employers depending on available resources) to assist with space planning needs, buffering uses, environmental clean up, expansion of facilities, labor and training needs and public transit needs. Retaining Sartell employers (and employees) should be a high priority for the use of public financial assistance such as tax increment financing.

Communication

ECONOMIC DEVELOPMENT

The city should continue to work to open up dialogue between city officials and business owners to ensure needs are being met. Sartell should also create a networking meeting with neighboring communities to find out what issues adjacent communities are facing and how communities can work together to obtain similar goals.

Partnerships

The formation of partnerships in the development of industrial or business parks and redevelopment projects can provide the city with the ability to maintain control of the qualitative aspects of the redevelopment and convert unmarketable property into attractive sites for future development.

Tools / Organizations

The city should continue to utilize available tools and organizations described in the Inventory and Analysis to achieve its economic development goals.