

**CHANHASSEN ECONOMIC
DEVELOPMENT COMMISSION
REGULAR MEETING
APRIL 13, 2021**

Chairman Sanford called the meeting to order at 7:00 p.m.

MEMBERS PRESENT: Jim Sanford, Kathleen Donovan, and James Ebeling

MEMBERS ABSENT: None.

STAFF PRESENT: Laurie Hokkanen, City Manager, Jake Foster, Assistant City Manager, and Bob Generous, Senior Planner

PUBLIC PRESENT: None.

Chairman Sanford requested that agenda items be adjusted to allow City Manager Laurie Hokkanen to present first.

**Member Ebeling moved, Member Sanford seconded to approve the agenda as amended.
All voted in favor and the motion carried unanimously with a vote of 3-0.**

CITY MANAGER INTRODUCTION:

Ms. Hokkanen introduced herself and provided background on her roles with the City of Chanhassen, the City of Victoria, and the City of Plymouth.

Chairman Sanford asked if she could provide history on the SouthWest Metro Chamber of Commerce.

Ms. Hokkanen stated the SouthWest Metro Chamber of Commerce was formed from another chamber that had dissolved. The Buy Chanhassen group was originally a business council which broke off from the SouthWest Metro Chamber of Commerce due to different outlooks on approvals and how to share revenue.

Chairman Sanford stated that he is familiar with the Great Wayzata Area Chamber of Commerce and feels they are effective in bringing businesses together. He expressed desire that the Chambers in Chanhassen react similarly.

Chairman Sanford asked if Ms. Hokkanen's economic development experience in the City of Victoria involved private development parties. Did the city seek developers or did developers approach the city?

Ms. Hokkanen outlined the role of the City of Victoria in development. The City of Victoria was aware of opportunities and made sure business owners knew what those opportunities were and how the businesses could fit into the master plan. The City of Victoria also provided incentives such as grants to help some business owners with development plans.

Chairman Sanford stated that the City of Plymouth has a downtown similar to Chanhassen with Highway 55 running through it. What ideas is the City of Plymouth pursuing in regards to their split downtown?

Ms. Hokkanen stated that the City of Plymouth is currently working on a “City Center 2.0” plan by identifying parcels that they would like to see have more density, considering 24/7 housing to support restaurants, retail, and entertainment, and enhancing public spaces. She feels, within the next 10-20 years, there will be a change in retail environments and trends in restaurants whether pop ups that the city hosts or venues that attract people.

Chairman Sanford asked how the City of Plymouth plans to pay for City Center 2.0.

Ms. Hokkanen stated that financing is yet to be solved but would likely include a menu of public/private partnerships, grants, and TIF. The City of Plymouth has made it clear to developers what they would allow in certain areas so that developers are more likely to take a risk knowing what was allowed and how the community and city would respond.

Ms. Hokkanen noted Economic Development Commissioners Stephen Stamy and Adam Schafer who have stepped down. The Council will post for these positions and she hopes the Economic Development Commission would give her insight on what type of person would make a good candidate.

Member Donovan expressed frustration regarding a disconnect between the City Council and their engagement with the Economic Development Commission. She felt that the Council has not given clear direction on what they want from the Economic Development Commission. Although staff attends meetings, they have had to try and interpret what they think the Council wants. She would like to see the Mayor or Councilmembers attend meetings to offer input, set goals, check on progress, and answer questions to inform the Economic Development Commission's direction.

Member Donovan further stated that the Economic Development Commission has been focused on goal setting for the past 18 months and it is frustrating to not move past this step.

Member Ebeling agreed that there seemed to be too much time spent on goal setting. He had heard that the presentation Chairman Sanford had given to the Council was not well received.

Member Donovan and Member Ebeling expressed concerns with remaining on the Economic Development Commission if no changes were made.

Chairman Sanford agreed that the Council seemed divided on whether there should even be an Economic Development Commission. He received a clear message that there were no available resources. He recently spoke with Mayor Ryan regarding the Strategic Plan which seems more focused on infrastructure. Perhaps Chanhassen is not ready to have an Economic Development Commission or focus economic resources toward this problem?

Chairman Sanford asked Member Donovan what type of change she would like to see.

Member Donovan stated that Councilmembers could attend meetings to check on what the Economic Development Commission is working on and direct what they would like the Commission to work on. She felt it should be a team effort and there should be goals set and input. She would like to see more engagement and communication from the Council, particularly the Mayor.

Chairman Sanford asked Ms. Hokkanen to explain the newly developed liaison program as well as her level of involvement in the Economic Development Commission meetings.

Ms. Hokkanen explained that a Councilmember has been appointed to each Commission to make recommendations to the Council, bring Council feedback back to the committee, and act as a point of contact. The expectation was not that the Councilmember would attend the meetings but that is something that could be considered.

Ms. Hokkanen stated that Mayor Ryan was planning on attending the May 2021 meeting to discuss the Strategic Plan.

Member Donovan stated she had read through the Strategic Plan but she would like more direction on what the Economic Development Commission should focus on - whether it was small businesses, retaining current businesses, attracting new people, as well as what the City has to offer businesses. Even if the Council attended meetings once a quarter for 15 minutes, it would be a chance to talk about progress and challenges and see if the Commission was on track.

Ms. Hokkanen asked if the Economic Development Commission were able to accomplish the five items on their 2021 work plan would that be a success?

Member Ebeling stated he would be thrilled to get five things accomplished since zero things have been accomplished in the first 18 months. He referenced the projects Ms. Hokkanen had accomplished in the City of Victoria and the City of Plymouth as the types of projects he hopes to see in the City of Chanhassen. He agreed that the City needs more entertainment. He mentioned that the Commission has brought up a business subsidy program but the Council was not amenable to the idea. Perhaps instead of forming more goals, the Commission could develop a business subsidy program by figuring out who would qualify, how the program could be

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administered, or if there are grants or loans available. However, if the Council doesn't want this program, he doesn't want to spend time on it.

Chairman Sanford agreed that there should be more direction on what the role of the Commission is versus staff.

Ms. Hokkanen said that the Council was looking at a change to their food truck ordinance to allow more than 15-17 days for food trucks to visit a location. Would the Commission be interested in holding a listening session and public hearing with businesses to gauge their reaction to the proposed change?

Member Ebeling liked the idea of hearing from businesses. He enjoys hearing updates from Community Development Director Kate Aanenson on what businesses are interested in Chanhassen. He would like to have more interplay with businesses looking to come into the City or expand in the City.

Member Donovan agreed that it would be good to engage with business owners and filter the information they give the Commission for the Council.

Ms. Hokkanen stated one of the Commission's five goals was to do a business survey to see where businesses are frustrated with the City.

Chairman Sanford asked who would develop the survey, the Council or the Economic Development Commission? Is the role of the Commission only to make recommendations? If nothing happens from these recommendations it is a waste of time.

Chairman Sanford spoke about lodging tax for Chanhassen residents who do temporary rentals, such as VRBO.

Ms. Hokkanen confirmed that the Commission's role is to give recommendations to the Council. The Commission can come up with a work plan and the Council agrees or disagrees with them. She stated there could be better communication so that the Commission understands why projects don't seem to go anywhere as well as an improved timeline to move things forward.

Member Donovan addressed Ms. Hokkanen's question about qualifications for new Commission members. She felt that someone with a creative outlook who thought outside of the box and offered a diverse perspective would be an asset to the Economic Development Commission.

Ms. Hokkanen addressed Member Ebeling's desire to have Top Golf come to Chanhassen. She has spoken with the company and they require a large amount of people to live within 5 miles of their facilities. Currently they are planning to build a location in Bloomington.

Member Ebeling reiterated that Chanhassen could have more entertainment options. Perhaps another curling center would be in demand or a banquet hall.

Chairman Sanford added that the Chaska Curling Center needed 400 memberships to break even but they have 1400 members. The Chaska Curling Center can also be used for banquets or weddings so it is a multipurpose facility.

Ms. Hokkanen stated that some of the slowdown in processes have been related to COVID-19 and staff turnover. The Council is considering a park referendum, which they have not acted on yet, and they may look to the Economic Development Commission for input on that.

Chairman Sanford felt that it would be helpful if a new Commission member was familiar with municipal finances. He would like to understand information on TIF and bonding and how developers finance projects. If the Council vision is focused on infrastructure, then they are not ready for economic development at this point.

Chairman Sanford asked Ms. Hokkanen if she would be regularly attending Economic Development Commission meetings.

Ms. Hokkanen stated she could attend more meetings and perhaps the new finance director, Kelly Strey, would be more involved as well.

ORGANIZATIONAL ITEMS.

ADOPTION OF BYLAWS

Chairman Sanford reviewed the bylaws.

Senior Planner Bob Generous pointed out that the bylaws could be amended to change the length of Commissioner terms to make them all three years. However, if incoming Commission members remained at two-year terms, they would fulfill the terms of the two Commission members who resigned.

Member Donovan moved, Member Ebeling seconded to approve the bylaws. All voted in favor and the motion carried unanimously with a vote of 3-0.

ELECTION OF CHAIR AND VICE-CHAIR

Commission members discussed who should be the Chair and Vice-Chair and elected to wait for new Commission members to come on board. Chairman Sanford agreed to remain as Chairman until that time.

Mr. Generous referenced section 6.2 of the bylaws which states: “The Economic Development Commission may suspend any of these rules by a unanimous vote of the members present.”

Member Donovan moved, Member Ebeling seconded to suspend the election of a Chair and Vice-Chair until new Economic Development Commission appointments are made. All voted in favor and the motion carried unanimously with a vote of 3-0.

OLD BUSINESS.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) SUMMARY

Mr. Generous asked the Commission to review the materials and note if there was anything missing.

NEW BUSINESS.

STRATEGIC PLANNING PROCESS DISCUSSION: OBJECTIVES, STRATEGIES, TACTICS, MEASUREMENTS, AND FUNDING

Commission members requested to suspend this conversation to a future meeting.

Member Ebeling moved, Member Donovan seconded to suspend discussion of Strategic Planning Process Discussion: Objectives, Strategies, Tactics, Measurements, and Funding to a later date. All voted in favor and the motion carried unanimously with a vote of 3-0.

ADMINISTRATIVE PRESENTATION. None.

CORRESPONDENCE DISCUSSION.

CARVER COUNTY SMALL BUSINESS EMERGENCY ASSISTANCE PROGRAM

Mr. Generous stated that the list included Chanhassen businesses who were provided assistance.

Assistant City Manager Jake Foster added that one of the goals of the Strategic Plan was to improve communication which would include communication with Chanhassen businesses.

ADJOURNMENT.

Member Donovan moved, Member Ebeling seconded to adjourn the meeting. All voted in favor and the motion carried unanimously with a vote of 3-0. The Economic Development Commission meeting was adjourned at 8:10 p.m.

Submitted by Bob Generous
Senior Planner

Prepared by Kim Meuwissen