



## 2022 Strategic Plan – 4/5/22

(Updated Section G, Strategies for Action)

### A. Local Economic Impact Factors:

1. Red Wing had minimal population growth from 2010-2020 at 0.53% compared to 7.6% for the state of Minnesota; 2020 population estimate = 16,547.
2. Household growth in Red Wing is also slow at 2.92% from 2010-2019 compared to 5% for the state of Minnesota; 2019 household estimate = 7,222. To accommodate further housing growth, the city has approximately 151 single family vacant lots and 87 townhome lots. Construction continued on 66 new rental townhomes with over half the units completed and occupied and the remaining units currently nearing completion. 78 senior housing units will start construction in 2022.
3. The city has a job/population ratio at 59.4% compared to 67.2% for all of Minnesota.
4. A high percentage of workers in Red Wing commute into work here (61%) compared to those who live and work here (39%).
5. Nearly 80% of all jobs in Red Wing are concentrated in four sectors: (a) 17.6% in manufacturing, (b) 17.2% in Leisure & Hospitality, (c) 20.2% in Education & Health Services, and (d) 19.1% in Trade, Transportation & Utilities; during the second quarter of 2020.
6. Red Wing is a regional retail center with \$12,684 taxable sales per capita in 2017 versus \$9,306 for Minnesota; Red Wing's "pull factor" has steadily increased from 0.86 in 2000 to 1.36 in 2017. Red Wing's pull factor was greater than Hastings, Northfield and Winona.
7. A high commercial/industrial tax base exists in Red Wing at 50.70%, which compares to 18.7% average for all MN cities (utilities are included – Xcel nuclear plants); Red Wing also has a high property market value of \$123,135 per capita compared to \$72,435 per capita for the state.
8. A comparison of Red Wing's commercial/industrial property taxes (payable 2018) for property valued at \$1.0 million shows a total annual tax of \$36,000 compared to an average of \$37,500 for five other comparable cities\*.
9. Red Wing's median household income is low when compared to the average throughout Minnesota ... \$54,785 versus \$71,306 in 2019.
10. Red Wing is one of four active waterway port cities in Minnesota; others include Duluth, St. Paul and Winona.
11. Significant art and culture centers exist in Red Wing, including the Anderson Center, Sheldon Theater, Pottery Museum, Goodhue County Historical Museum, and the Ski Jump Museum.
12. Higher education programs and entrepreneurial support is provided in Red Wing through Minnesota State College Southeast and Red Wing Ignite, including workforce readiness.
13. Red Wing's economy is strengthened by its green infrastructure and its ongoing efforts to improve energy efficiency and to reduce greenhouse gases (e.g., downtown EV charging station, three community solar gardens, and GreenStep City with Step 5 designation).

\* Faribault, Hutchinson, Northfield, Owatonna and Winona

## **B. Mission Statement:**

The Red Wing Port Authority is the primary leader for promoting economic and industrial development, together with identifying and coordinating redevelopment for the purpose of enhancing the tax base, promoting employment and contributing to the economic vitality and quality of life of the City of Red Wing.

## **C. Enabling Resolution:**

The Red Wing Port Authority shall constitute an “agency” pursuant to the Development Act; it shall be the role and responsibility of such port authority to carry out economic and industrial development and redevelopment within the City in accordance with such general policies as may be established by the City Council.

## **D. Harbor Commission:**

The purpose of the Harbor Commission is to recommend policy guidelines for commercial and recreational activities; to advise the Planning Commission, Port Authority or City Council on new development or redevelopment along the riverfront or navigable waterways; to develop policy as it relates to navigable waters within the City; to recommend operational policy for the Marinas utilizing City property for their activities, and to assist with marketing and communication recommendations related to Harbor Commission activity and required review. The Commission is made up of seven members; six members are residents of the city and one member may be a non-resident who either owns real property in the city or has a slip at a city marina.

## **E. Positive Assets of the Port Authority:**

1. Four revolving loan fund programs with a 12/31/20 cash fund balance of \$1,097,686.
2. An operating fund balance of \$1,135,081 on 3/01/22 with no debt.
3. Future repayment of the Greater Red Wing Development Corporation loan of \$1,528,853 over ten years (2020-29) with \$17,608/month payments.
4. An active operating bulkhead owned by the Port Authority with a new lease utilizing a per-ton revenue stream.
5. Commercial waterway leases with Archer Daniels Midland (ADM), Red Wing Grain and ARTCO.
6. Strong support of the City Council since the restructuring of the Port Authority, now being part of the Community Development Department.
7. One of four active waterway commercial ports in Minnesota, including membership in the Minnesota Port’s Association, along with Duluth, St. Paul and Winona.
8. Past significant involvement with business growth and expansion in Red Wing by promoting and utilizing numerous public financing programs.
9. Professional and personal connections with commercial and industrial businesses in Red Wing.
10. The Port has multiple local assets to market in Red Wing, including but not limited to, the municipal airport, recreational boat slips, commercial harbors, a local technical and community college, an entrepreneurial support system, the Anderson Center, a historic downtown district, multiple small and large manufacturers hosting a significant workforce,

available residential/commercial/industrial land, redevelopment opportunities, a tourism destination, and active local economic development partners.

## **F. Five Core Principles for Action:**

1. Business Sites & Financing Resources – Facilitate opportunities for business growth using the City’s land and infrastructure resources, and the Port Authority’s business financing resources.
2. Business Climate & Customer Service – Provide an environment that supports business growth through a one-stop-shop service center; and, coordinate a high-quality level of customer service with all local economic development partners.
3. Marketing & Promotion – Enhance Red Wing’s image as a historic river bluff town with a distinct center of manufacturing, tourism, arts, culture, and river commerce/recreation.
4. Redevelopment – Play a key coordinating role in the redevelopment of key underutilized sites in Red Wing, especially those located in and around the downtown core area.
5. Supportive River Economy – Support Red Wing’s activities that strengthen the waterway port economy along the Mississippi River.

## **G. Strategies for Action (5 Years, 2021-2025):**

### **Higher Priorities for 2022:**

1. Complete a comprehensive structural investigation and upgrade plan for the bulkhead, and begin to evaluate river modeling as it relates to dredging issues.
  - Milestone: Pursue other funding options for repair work (including Federal Port Development Assistance Funds and Bipartisan Infrastructure Law funding); Complete bulkhead repairs in 2023. Conduct river modeling of the channel by 12/31/22. Identify potential funding sources and preferred corrective options based on results of the modeling work. Obtain estimate for repair and/or replacement of Continental Grain Dolphins and installation of new dolphin for river boars. Prepare bid documents for repair work and include dolphin work in bulkhead repair funding requests.
2. Re-evaluate and improve local business retention and recruitment programs; determine the best method that achieves measurable metrics and annual reporting results.
  - Milestone: Restart the former retention program and work with the University of MN Extension program to update Red Wing’s retention questionnaire to include manufacturing, downtown business, other relevant sectors, and community wide issues in 2022. Study factors related to the high number of commuters coming into the City and work-at-home trends. Research how to support and encourage smaller and start-up businesses.
3. Develop a coordinated, city-wide marketing plan for economic development.
  - Milestone: Determine next steps and recommendations to implement the marketing plan; consider the role of local economic development partners in this process. Consider opportunities created by COVID/work-at-home trends and determine how to market to this group and identify the amenities needed to attract them to the City.

4. Implement the adopted framework of the Red Wing Downtown Investment Partnership by convening the Steering Committee toward the identification of short-term actions.
  - Milestone: Continue discussions concerning development and financing of key downtown redevelopment project sites with developers, property owners, consultants, and strategic partners. Provide financing for one major redevelopment project in downtown utilizing all potential funding options. Develop an MOU or informal agreement working with foundation partners by 12/31/22.
5. Encourage the reuse and renovation of existing buildings, upper floors, and underutilized properties for housing by providing resources, especially those properties located downtown and in the Old West Main Street / West End District.
  - Milestone: Encourage participation in the Downtown Main Street Downtown Redevelopment Challenge and provide technical assistance to Downtown Main Street for applications through the program. Complete an updated downtown parking study by 8/31/22. Continue to develop ways to provide resources that will help spur such redevelopment; work toward the actions identified in #4 above. Document what has been learned through current and previous projects and specifically identify barriers to development and redevelopment.
6. Identify redevelopment projects within the Downtown and Old West Main districts that may move forward with Port assistance along with other local partners; continue to pursue other projects once the previous one is successful.
  - Milestone: Identification of the preferred redevelopment alternative for the former Bauer Built site (either an RFP process or public ownership and development option). Negotiate a lease or sale to a developer or potential tenants to occupy building in late 2022 or 2023. Acquire property behind the Bauer Built site for potential public parking. Facilitate the relocation of at least one business incompatible with West End Districts plans. Assist one or more projects each year during 2021-2025 that provide momentum toward active redevelopment in Red Wing; explore redevelopment plans for the property surrounding the 115 Dakota Street area during 2022.
7. Complete necessary actions, as directed by the City Council, to prepare the Highway 19/61 property for sale; evaluate new methods to market all vacant/platted city-owned properties for commercial and industrial development.
  - Milestone: Help the City successfully transfer ownership of at least two city-owned parcels by 12/31/23 for new development. Conduct visioning/planning exercise for Highway 19/61 property and surrounding development sites (with a review 2020 visioning work). Research options to demolish the Central Research building. Research covenants and other restrictions for development of property working with the Prairie Island community to identify potential archeological resources on or around the property. Complete replat of property by 12/31/22 to address realignment and reconfiguration of MnDOT right-of-way.

#### **Lower Priorities for 2021+:**

8. Assist with the City's development of a plan that addresses the economic impacts associated with Prairie Island Nuclear Generating Station's future potential licensing termination.

- Milestone: Port Authority Board members may participate in a local impact evaluation team, City Council ad-hoc committee, or as otherwise invited by the City Council. Identify example studies of local impacts working with partner organizations and other cities. Participate in scenario and transition planning work for the City. Help communicate areas of concern and help clarify the importance of the nuclear plant to the local economy. The Port Authority will receive updates and stay informed on this issue.
9. Revisit, update and implement various area plans, including the Downtown Action Plan and the Old West Main Street Master Plan.
    - Milestone: Review the Downtown Action Plan and Old West Street Master Plan with the Port Authority. Identify and discuss any areas that need to be updated.
  10. Based on City/HRA support, provide assistance as needed for housing proposals that provide additional workforce housing opportunities in support of the local workforce housing demand.
    - Milestone: Complete update to 2020 Housing Study for Red Wing market conditions and rents. Partner with HRA to develop housing visioning document for targeted development and redevelopment sites. Participate in Housing Strategy Partners Meetings to review goals and implementation strategies. Be viewed as a partner with the City and HRA to support more workforce housing development
  11. Evaluate and strengthen stronger relationships with all Economic Development Partners.
    - Milestone: Restart regular meetings with ED partners; conduct retreat in early 2022 to reevaluate roles and objectives; conduct survey of partner organizations. Continue to develop customer contact database; investigate shared marketing opportunities. Identify a list of actions, and actively work on them between 2022-2025.
  12. Continue to evaluate and improve the Port's revolving loan programs in order to make them effective and utilized.
    - Milestone: Evaluate downtown revolving loan fund and potential to augment gap financing for larger redevelopment projects. Create fund with ARPA funds to provide loans/grants to BIPOC/Veteran/Women owned businesses and local entrepreneurs.
  13. Continue to monitor the restructured loan with the Greater Red Wing Development Corporation and to support maximum use of their building.
    - Milestone: Ongoing monitoring of loan repayments through 12/31/25.
  14. Support sustainable economic competitiveness, vitality and prosperity of Red Wing through programs and initiatives that encourage solar, energy efficiency in buildings, clean energy and reduced CO2/air pollution.
    - Milestone: Market programs such as PACE more consistently and directly to the business community, including a stronger media presence by 12/31/22. Adoption of EV-ready ordinance for public and private development projects.
  15. Continue to strengthen Red Wing's position as a regional retail center by supporting the use of existing vacant commercial spaces, the redevelopment of underutilized property, and the renovation/expansion of retail businesses throughout the community.

- Milestone: Identify and study underutilized commercial property. Develop a method to help market vacant and underutilized properties to prospective businesses and create development framework/visioning materials for sites by 12/31/22.

## **H. Enabling Resolution No. 2226 – Project Implementation**

### Definitions:

1. Authority – the Red Wing Port Authority.
2. Port Budget – sources and uses of public funds to be expended in carrying out the public costs associated with a Project Plan. Using tax increment financing shall then constitute a TIF Plan per MN Statutes 469.175.
3. Project Plan – an outline for the development or redevelopment of a geographic area or single parcel that contains a statement of objectives, proposed reuse of private property, general development standards, etc. This plan shall constitute a “development program” and a “redevelopment plan”.
4. Port District – equals the City of Red Wing.
5. Public Activities – development efforts that have impacts on public infrastructure (i.e., streets, sidewalks, public parking facilities), which require any type of direct financial assistance from the City, including, but not limited to, tax increment financing. Financial assistance from the City does not include any Port Authority levy dollars or any other funds such as the Authority’s Revolving Loan Funds.

### Powers:

1. No City Council approval is necessary for a project with no Public Activities being undertaken by the Authority.
2. Before undertaking any Public Activities, the Authority shall submit a Project Budget and Plan to the City council for approval, which shall include a public hearing. The Advisory Planning Commission may also need to review the Project Plan to be consistent with the City’s comprehensive plan.
3. The Authority is appointed Administrator of any City Development Districts previously established by the City Council. TIF District 7-1 (Redevelopment) was the last remaining district in Red Wing, which was established for the Target development and was decertified prior to 2020.