Vadnais Heights Business Retention and Expansion Strategies Program

Summary Report
September 2016
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SUMMARY REPORT

September 2016

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University of Minnesota Duluth Bureau of Business and Economic Research

Edited by Michael Darger, University of Minnesota Extension

Sponsors:
Vadnais Heights Economic Development Corporation (VHEDC)
City of Vadnais Heights
Xcel Energy
Connexus Energy
Minnesota Chamber of Commerce
Minnesota Department of Employment and Economic Development
University of Minnesota Extension

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VADNAIS HEIGHTS BUSINESS RETENTION AND EXPANSION PROGRAM

Business Retention and Expansion (BR&E) is a key element of local economic development efforts. While the attraction of new businesses and incubation of start-ups can be important components of an overall economic development strategy, communities now recognize that helping existing businesses survive and grow is the strategy that pays the most dividends for economic development.

Expansions and contractions are defined as changes in employment at an existing plant or business location. Start-ups and dissolutions are defined as the creation or closing down of a separate plant or business location. The “churning” of business creation, dissolution, expansion, and contraction is a natural part of a local economy. The BR&E challenge to a community is to facilitate the expansions while taking preventative actions to reduce the number of dissolutions and diminish the contractions.

Commonly, more jobs are created by business expansions than by new business start-ups. Minnesota data from 2014 confirms that more than 75% of new jobs in the state were created by existing business.1 Vadnais Heights, in launching this BR&E program, has the potential to improve the climate for existing businesses and, therefore, benefit from the continued presence and growth of those businesses.

Another benefit of a BR&E program is the information provided by the survey on the community’s strengths and weaknesses. The strengths can be highlighted in community promotional materials, and identifying weaknesses gives the community an opportunity to make important changes and show businesses it is responsive. By acknowledging weaknesses, a community also shows businesses it is trustworthy and will look realistically at its situation.

A final benefit of a BR&E program is how the process enhances the team of local leaders. The BR&E program team is much broader than many other local economic development teams, including representatives from education and government in addition to business and economic development leaders. This diverse membership allows the local BR&E task force to bring in more resources, ideas, and contacts to address problems identified in the survey. Quite often, this local team will continue to interact and address other community concerns that arise long after the official program has ended.

Program Objectives

The Vadnais Heights BR&E Program has five objectives:

- To demonstrate support for local businesses;
- To help solve immediate business concerns;
- To increase local businesses' ability to compete in the global economy;
- To establish and implement a strategic plan for economic development; and,
- To build community capacity to sustain growth and development.

Program Sponsors

The Vadnais Heights BR&E Program is sponsored by the following organizations:

- Vadnais Heights Economic Development Corporation
- City of Vadnais Heights
- Xcel Energy
- Connexus Energy
- Minnesota Chamber of Commerce
- Minnesota Department of Employment and Economic Development
- University of Minnesota Extension

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1 Source: Minnesota DEED, QCEW program
BR&E Process and Key Dates

Several community leaders who are invested in the program’s implementation, form the core group for a BR&E initiative. They then identify five to eight people who form the Leadership Team. Each has a clearly defined role in the BR&E process. The Leadership Team responsibilities are vast and vital to the success of the program. These include recruiting volunteers, identifying businesses to visit, providing survey input, performing business visits, coordinating milestone meetings, building community awareness, and recruiting the Task Force.

The Task Force guides the BR&E process, helps the Leadership Team with business visits, and becomes involved in prioritizing and responding to issues identified in the business interviews.

Vadnais Heights’s BR&E initiative officially launched in January of 2016 with the Leadership Team’s first meeting.

Volunteer Training

Volunteer Visitor training sessions, held in February of 2016, oriented volunteer visitors to the BR&E process. Volunteer visitors were trained on the use of the interview guide and how to interview business owners. Working as teams of two during the interview, one volunteer was primarily responsible for asking the questions while the second recorded the responses.

Interview Guide

Vadnais Heights adopted Extension’s interview guide as its survey instrument. Volunteer visitors used the interview guide on the business visits.

Business Selection & Visits

The Vadnais Heights’s BR&E Leadership Team and Task Force visited 45 businesses during February and March of 2016.

The team began the process of business selection with a full list of 291 businesses using the Fire Occupancy Program List. They then prioritized 75 businesses for interviews using selection criteria including number of employees, building size, land and building space available for potential expansion, and other business factors. Although this method is not statistically representative of the greater business population, it does provide the team with a sample that included the largest businesses with the greatest number of employees.

Warning Flag Review

The Warning Flag Review session, a highly critical piece of the BR&E process, provided an opportunity for the Task Force to address individual business concerns that need immediate attention. This is probably the single most important activity that a BR&E initiative can do – responding appropriately and confidentially to businesses on issues such as business relocations, concerns with public service, needs for resources, etc. This was done by overall coordinators and business resources coordinators throughout the process and formally in April with the leadership team.

Campus Research Review

Completed business surveys were tabulated and analyzed by the University of Minnesota Extension. The data summary was presented to participants of the Vadnais Heights BR&E Campus Research Review meeting held March 31, 2016, in St. Paul. Participants identified predominant, common themes in the survey responses and suggested project ideas to address the themes.

Research Report Development

Monica Haynes and her team from the Bureau of Business and Economic Research at UMD’s Labovitz School of Business prepared the research report utilizing the results of the Campus Research Review meeting and additional economic development research. The research report collectively detailed four overarching strategies and a robust compilation of suggested projects for each strategy.
Task Force Retreat

A four-hour Task Force retreat was held May 19, 2016, in Vadnais Heights and facilitated by Michael Darger, University of Minnesota Extension. There, the Task Force was presented with the Research Report. The presentation included a DEED overview of the Vadnais Heights area economy and demographic situation, the composite results of the business interviews, and the four strategies. The Research Report can be obtained by contacting one of the Task Force members.

Because the Vadnais Heights BR&E Task Force has the most knowledge of its community, it is in the best position to discern which projects would be locally suitable for implementation. The Task Force reviewed and discussed the potential projects and developed additional project ideas. Ultimately, six priority projects were created.

VADNAIS HEIGHTS BR&E PROGRAM PARTICIPANTS

Four groups of people have been instrumental to Vadnais Heights’s BR&E program success to date—the Leadership Team, the Task Force and volunteer visitors, and the businesses visited. Additionally, the Campus Research Review team deserves acknowledgement for their process participation.

Vadnais Heights BR&E Leadership Team Members

Ling Becker, Vadnais Heights Economic Development Council (VHEDC) - Overall Coordinator
Kevin Watson, City of Vadnais Heights - Overall Coordinator
Carie Fuhrman, City of Vadnais Heights - Business Resource Coordinator
Gerry Urban, VHEDC - Visitation Coordinator
Debby Gustafson, Twin Cities Metro CDC - Media Coordinator
Craig Johnson, City of Vadnais Heights
Marc Johannsen, City of Vadnais Heights

Vadnais Heights BR&E Task Force Members

Bob Arvold - Enterprise Minnesota
Wes Beedon - Peoples Bank Midwest
Karyn Berg - Ramsey County Workforce Solutions
Becky Bjorgum - Innovize/VHEDC Board Member
Mike Bowen - CBRE
Michael Cady - Connexus Board Member/VH Resident
Ed Caillier - Vadnais Heights (VH) Resident/Planning Commission
Brian Carnes - Planning Commission Chair/VH Resident
Evan Cordes - VH Safety Committee/VH Resident
Marguerite DeFore - MidWest One Bank/VHEDC Board Member
Barbara Hall - Cottages of Vadnais Heights
Blake Huffman - Ramsey County Commissioner
Ed Jambor - Lake Area Bank
Megan Livgard - Greater MSP
Robert Morse - MidCountry Bank/VHEDC Board Member/VH Resident
Bill Nelson - Innovative Office Solutions
Larry Raddatz - Century College
Linda Reber - All Medical Personnel/VHEDC Board Member/VH Resident
Bruce Sayler - Connexus Energy
Kathi Schaff - MN Chamber/Grow MN
Thomas Voegele - Comcast/VHEDC Board
Business Visited

The following 45 businesses graciously agreed to be interviewed as part of the BR&E visitation process. While survey responses are confidential, it is important to acknowledge the effort of participating businesses.

Abrasives of St. Paul
aHEARTT
Ally People Solutions
Andrews Knitting Mills
Buerkle Honda and Hyundai
Childrens Discovery Academy
Carlson and Associates
Cities Credit Union
Con-Tek Machine
DuFresne Manufacturing
Electronic Industries
Fairfield Inn and Suites
Fairway Collison
FinnRent
Holiday Inn Express & Suites
I.C. System
Ingenuity Concepts
Innovative Office Solutions
Innovize
IPS Worldwide
J.D. Products
Jimmy's Food & Drink
Knowledge Beginnings
Larson Engineering
Massage Envy
Merrick, Inc
MGC Diagnostics
MGM Liquor
Midwest Spine
Mike Haas Financial
MME group
Network Title
Northern Air Corporation
Proulx Properties
Reell Precision Manufacturing
Renstrom Dental
Robert Hill Law
Salon Zeo
Shermco Industries
Short Elliott Hendrickson (SHE)
Terracon Consultants, Inc.
TSE, Inc.
Twin Cities Metro CDC
Urban's Farm and Greenhouses
Vadnais Heights Cottages

Campus Research Review Team Members

The Campus Research Review panel was comprised of University of Minnesota faculty and staff, Minnesota Department of Employment and Economic Development (DEED) specialists, other economic development professionals, and Vadnais Heights Leadership Team members. This group analyzed the survey data to identify the strengths, weaknesses, opportunities, and threats (SWOT), as well as to ideate potential project ideas that address
issues emerging from the SWOT analysis. A list of participants in the Campus Research Review follows.

**Vadnais Heights BR&E Leadership Team**

Ling Becker, Overall Coordinator

Debby Gustafson, Twin Cities Metro CDC – Media Coordinator

Craig Johnson, City of Vadnais Heights

Gerry Urban, VHEDC – Visitation Coordinator

Kevin Watson, City of Vadnais Heights – Overall Coordinator

**Minnesota Department of Employment and Economic Development**

Tim O’Neill, Research Analysis Specialist (labor market information)

John Shoffner, Business Development Director

**Economic and Community Development Professionals**

Kathi Schaff, Grow Minnesota program, Minnesota Chamber of Commerce

Nerita Hughes, Ramsey County Workforce Solutions

University of Minnesota

Michael Darger, Extension Center for Community Vitality (meeting facilitator)

Lee Munnich, Humphrey School of Public Affairs

Adeel Ahmed, Extension Community Vitality

Laura Kalambokidis, Department of Applied Economics

Ward Nefstead, Department of Applied Economics

Monica Haynes, Bureau of Business and Economic Research – Duluth

Gina Grensing, Bureau of Business and Economic Research – Duluth

**Additional Assistance**

Lauren Sorgaard from Extension's Cloquet Regional Office, tabulated the data entry and prepared the data summary. Jodie Kaden and Ilyas Wehelie, Extension Center for Community Vitality, provided report assembly and printing.

**VADNAIS HEIGHTS ECONOMIC AND DEMOGRAPHIC PROFILE**

A profile of Vadnais Heights’ economy and demographics was prepared for the Research Report and presented at the Task Force retreat on May 19, 2016. The profile, created by Tim O'Neill of the Minnesota Department of Employment and Economic Development (DEED), includes statistics on population, demographics, employment, wages, commuting and labor sheds, unemployment, and occupations.

A full copy of the profile can be viewed in the BR&E research report by contacting one of the Task Force members.

**VADNAIS HEIGHTS INTERVIEW RESULTS**

Of the 45 businesses visited, 80% are locally owned, and 51% indicated that their Vadnais Heights location is their headquarters.

The greatest percentage of survey respondents (27%) identified as being in the Manufacturing industry (see Figure 1). While that is the largest number of businesses in one classification of surveyed businesses, it is not indicative of the actual size of the Manufacturing industry in Vadnais Heights. According to DEED statistics, only 5% of the city's firms are Manufacturing. It's typical in BR&E visitation programs to pay special attention to manufacturing businesses because they tend to pay higher wages on average, create higher economic impact and therefore are likely to be offered inducements to move or expand to other communities.

The next highest for industry classification was a three-way split as shown in Figure 1.
A slight increase in employment is evident among surveyed businesses, with a total number of 2,676 current employees, compared to 2,646 three years ago. However, this represents only a 1% increase compared with DEED statistics of the greater Vadnais Heights community during the same period, which shows employment growth of 7% or 500 jobs. The majority of growth resulted from Growth in Demand (36% of businesses surveyed) and Expansion (20% of businesses surveyed).

It is notable that 53% of surveyed businesses are planning to modernize or expand their buildings or equipment. In a separate question regarding business plans, 40% of the businesses said they expected no change in the next three years; 27% replied that there will be a change in their mix of goods/services; 24% replied they will be adding or subtracting products; and another 20% will be making changes in production technology.

Surveyed businesses in Vadnais Heights cited many reasons to celebrate their community. Some of the perceived assets include highway accessibility, proximity to major markets, health care facilities, police, and fire (Figure 2 below).
<table>
<thead>
<tr>
<th>Community factor</th>
<th>Importance</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway accessibility</td>
<td>3.58</td>
<td>3.80</td>
</tr>
<tr>
<td>Proximity to major markets</td>
<td>3.30</td>
<td>3.58</td>
</tr>
<tr>
<td>Health care facilities</td>
<td>3.20</td>
<td>3.53</td>
</tr>
<tr>
<td>Police</td>
<td>3.49</td>
<td>3.48</td>
</tr>
<tr>
<td>Fire</td>
<td>3.38</td>
<td>3.46</td>
</tr>
<tr>
<td>Community attitude to business</td>
<td>3.58</td>
<td>3.41</td>
</tr>
<tr>
<td>Energy reliability</td>
<td>3.78</td>
<td>3.38</td>
</tr>
<tr>
<td>Community promotion</td>
<td>3.22</td>
<td>3.35</td>
</tr>
<tr>
<td>Sewer &amp; water</td>
<td>3.42</td>
<td>3.28</td>
</tr>
<tr>
<td>Availability of loans</td>
<td>3.25</td>
<td>3.27</td>
</tr>
<tr>
<td>Street maintenance</td>
<td>3.38</td>
<td>3.26</td>
</tr>
<tr>
<td>Housing supply</td>
<td>3.23</td>
<td>3.19</td>
</tr>
<tr>
<td>Telecom &amp; broadband reliability</td>
<td>3.82</td>
<td>3.18</td>
</tr>
</tbody>
</table>

Figure 2: Community Factors with High Importance and High Satisfaction

Average scores shown
Scale for Importance: 1=Not at all, 4=Very
Scale for Satisfaction: 1=Very dissatisfied, 4=Very Satisfied

It was also interesting to note that commuting patterns for Vadnais Heights show that 95% of the city’s labor force commutes outside of the city for work. Only 374 of the jobs in Vadnais Heights are filled by people who both live and work there.

**Strategic Themes**

Four primary themes emerged from an analysis of the interview results and discussions by the Campus Research Review Panel. These themes, called strategies here, provide a framework for studying and addressing issues raised in the Vadnais Heights BR&E process. Below are the four identified strategies.

1. Provide Businesses with Support Programs and Initiatives
2. Establish Cohesive Workforce Development/Recruitment Initiatives
3. Improve Public Transportation Throughout the City
4. Establish a Community Identity

Under each strategy, the Research Report listed potential projects that the Vadnais Heights BR&E Task Force could select to help accomplish the strategy. During their May 19, 2016, retreat, the Task Force developed six priority projects to address business concerns. The Task Force built on project ideas written in the Research Report to create projects that were suitable for Vadnais Heights. These priority projects are described below.

The respective project teams created each project’s description. Descriptions include general reasoning for each project and the plans developed by the project committee. Furthermore, the interview results that highlight the need for the project are included where appropriate. Community members who are interested in assisting in any of the projects’ implementation should contact one of the committee members listed.

**Priority Project #1: Workforce Connections Event**

The committee is chaired by Cindy O’Donovan. Committee members are Ling Becker (VHEDC), Karyn Berg (Ramsey County), Nancy Clunis (Fresh Paint), Robert Morse (MidCountry Bank), Steve Moeller (Specialty Manufacturing Company), and Joy VanderHeiden (Schwing America, Inc.)

The Workforce Resources Connections event is envisioned as a proactive, “one-stop shop” event where manufacturing leaders can connect with key contacts and learn about programs, resources and suppliers that can support the attraction of a skilled workforce. Many resources exist; however, not everyone knows about them or how they can best connect with them. The Connections event will provide the missing link between workforce needs and workforce resources. Information from this event will be added into
the Workforce Resources Promotion initiative (see Priority Project 2.)

**Related Research Results for Project #1**

According to the survey of Vadnais Heights businesses, 66% stated that they needed training for either workers or managers (see Figure 3 below). Many businesses cited skilled manufacturing training needs, including design, machine language programming, and technical certification.

![Figure 3: Do you need training for workers or managers?](image)

In addition, many businesses cited challenges in recruiting engineers/scientists, skilled manufacturing, and health care professionals, and indicated that they expect the number of employees in these same categories to increase over the next three years. However, only 11% of respondents indicated that they currently use apprenticeships as a way to recruit employees.

The VHEDC 2016 Business Guide and Community Profile outlines the Century College Internship Pilot and a job shadowing program with White Bear Lake High School students and a local company.

**Priority Project #2: Workforce Resources Promotion**

The committee is chaired by Cindy O’Donovan. Committee members are Ling Becker (VHEDC), Karyn Berg (Ramsey County), Nancy Clunis (Fresh Paint), Robert Morse (MidCountry Bank), Steve Moeller (Specialty Manufacturing Company), and Joy Vander Heiden (Schwing America, Inc.). Bob Arvold of Enterprise Minnesota and Kathi Schaff of the Minnesota Chamber also participated in the conversation.

In late 2015, the VHEDC hosted a series of Community Conversations about workforce development where several ideas related to workforce resources were identified. The VHEDC Workforce Action Committee began collecting and soliciting resources that could be valuable for local businesses. Methods for communication will include an expanded distribution of the business newsletter (see Priority Projects 5 and 6 below) and a new VHEDC website. Phase 1 of the website was unveiled in August 2016; phase 2 will include more information specific to workforce resources, including expanded company profiles and a job board.

**Related Research Results for Project #2**

Survey respondents identified Engineers, Scientists and Technicians as the position category most anticipated to grow in the near future. It was also one of the highest rated in terms of difficulty to recruit (see Figure 4).
Professional/Managerial and Skilled Manufacturing employees were also identified as difficult to recruit and were ranked among those most expected to increase in number of employees. Currently, the most common resource used by local businesses to locate new employees is Internet advertising on job boards (60% of respondents), while referrals from existing employees was a close second at 56%. Only 18% of businesses surveyed indicated that they currently used a Minnesota Workforce Center to help find new employees.

Priority Project #3: Connect workers to community resources, amenities, and events.

The committee is chaired by Debby Gustafson. Committee members include Ling Becker (VHEDC), Ed Jambor (Lake Area Bank), Robert Morse (MidCountry Bank), Chris Olson (GDO Law), Gerry Urban (Urban’s Farm & Greenhouses), and Kevin Whelan (Peoples Bank Midwest).

The goal of this project is to find additional ways to connect employees of Vadnais Heights’s businesses to the community in which they work. One part of this project involves working in collaboration with the City of Vadnais Heights to develop a joint business newsletter (see Project 5). Another vehicle being explored is a Go Local app. The committee has already begun conversations with an app developer on a product. The product being explored has a local philanthropy component, as well. It can engage residents, employees, and visitors in community life while allowing the community and its businesses to promote their organizations on a mobile/digital platform.

Finally, the VHEDC recently launched a new website. The website has links to technical and financial resources for businesses, including information on property availability, DEED resources, and workforce links. The committee intends to use the new capabilities of that website to do a better job connecting the businesses to the City of Vadnais Heights.

Related Research Results for Project #3

One of the lowest scores related to retail in Vadnais Heights was “Special events or promotions in the shopping area” (see Figure 5). This score was also lower than those in other previous BR&E program communities.

Additionally, over 8,700 workers commute from outside of Vadnais Heights. The city has an opportunity to help these non-residents get to know Vadnais Heights better. This could build on the strength of the locally owned businesses, because 80% of Vadnais Heights BR&E respondent businesses noted they are locally owned.
Figure 5: Rate the following factors about retail in Vadnais Heights

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet presence</td>
<td>3.48</td>
</tr>
<tr>
<td>Personnel</td>
<td>3.41</td>
</tr>
<tr>
<td>Parking</td>
<td>3.39</td>
</tr>
<tr>
<td>Safety</td>
<td>3.38</td>
</tr>
<tr>
<td>Prices</td>
<td>3.27</td>
</tr>
<tr>
<td>Customer service</td>
<td>3.26</td>
</tr>
<tr>
<td>Hours - weekend</td>
<td>3.21</td>
</tr>
<tr>
<td>Merchandising</td>
<td>3.20</td>
</tr>
<tr>
<td>Hours - evening</td>
<td>3.19</td>
</tr>
<tr>
<td>Quality</td>
<td>3.10</td>
</tr>
<tr>
<td>Exterior atmosphere</td>
<td>3.06</td>
</tr>
<tr>
<td>Store hours</td>
<td>2.91</td>
</tr>
<tr>
<td>Traffic flow/signs</td>
<td>2.89</td>
</tr>
<tr>
<td>Restrooms</td>
<td>2.84</td>
</tr>
<tr>
<td>Advertising</td>
<td>2.70</td>
</tr>
<tr>
<td>Variety stores</td>
<td>2.69</td>
</tr>
<tr>
<td>Variety eat</td>
<td>2.64</td>
</tr>
<tr>
<td>Special events</td>
<td>2.61</td>
</tr>
<tr>
<td>Group advertising</td>
<td>2.53</td>
</tr>
</tbody>
</table>

1 = Poor  4 = Excellent

Priority Project #4: Create a marketing plan for the City of Vadnais Heights.

This project is led by the City of Vadnais Heights in coordination with various VHEDC committees, such as the Business Retention & Expansion Committee and the City Center Task Force Related Research Results for Project.

The City of Vadnais Heights is riding a wave of success over the last couple years. The city and Vadnais Heights Economic Development Commission (VHEDC) are looking to capitalize on this recent success by initiating a marketing strategy for the community. The marketing initiative will be unique to Vadnais Heights and focus on two areas -- Community Outreach and Economic Development. The plan is to capitalize on the tools already in place and reenergize those with a fresh approach.

Additionally, the team plans to utilize the full potential of new investments the city has recently made, such as the new city website. The city and its partner in VHEDC will collaborate to implement a newsletter focused on communicating with the business community about the City Council’s policy initiatives, opportunities to educate, business incentives, and overall quality of life within Vadnais Heights. Finally, the team plans to partner with the business community and VHEDC to rebrand our city via banners, flowers, and decorations in our City Center core and on the new street lights. Vadnais Heights has achieved great things in its short history, and a strategic marketing initiative will help create the city’s next chapter.

Related Research Results for Project #4

According to businesses surveyed, Vadnais Heights has a strong community atmosphere. In fact, 33% of respondents felt that the community atmosphere in Vadnais Heights had a positive or very positive impact on their business, and many felt that it should be part of a marketing campaign for the city.

Although businesses see the community atmosphere in Vadnais Heights as a strength, the rating given (0.53) is still lower than other BR&E communities (1.08 where the scale is 1 = positive and 2 = very positive). Many businesses indicated that the downtown area in Vadnais Heights was not easily identifiable to visitors.

A number of respondents commented that Vadnais Heights lacks a “main street.” Additionally, one of the lowest scores related to retail in Vadnais Heights was “Special events or promotions in the shopping area.”
Priority Project #5: Create a newsletter and web page with informational business topics.

The committee is chaired by Kyle Sommer. Committee members include Ling Becker (VHEDC), Wes Beedon (Peoples Bank Midwest), Mike Enright (Cities Credit Union), Robert Morse (MidCountry Bank), and Gerry Urban (Urban’s Farm & Greenhouses).

The VHEDC currently has two newsletters that are distributed electronically to VHEDC investors and others who have expressed interest in being on the VHEDC mailing list. The committee recognizes that this does not reach all of the businesses in Vadnais Heights, so effort should be made to determine how to better reach more businesses.

The city currently publishes a quarterly community newsletter that is mailed to all residents and business addresses. In that newsletter, there is a section devoted to VHEDC where products made in Vadnais Heights are highlighted. The newsletter also highlights development news. The VHEDC newsletters do not reach all businesses. The city newsletter is a broader community newsletter with content that is not necessarily targeted to businesses. One idea is to have the VHEDC and the city work together to produce and distribute a bi-annual business newsletter that would go to all businesses in the city.

The committee may also actively promote business resources available on the VHEDC and city website. Continuing to hear what information and resources would be most helpful from businesses is important. VHEDC will look into a feedback or request form on its website.

**Related Research Results for Project #5**

Local businesses can benefit from technical assistance to strengthen their business management practices. Over 50% of the businesses surveyed do not have a written transition plan, and over 40% do not have a written business plan (see Figures 6 and 7). Both of these planning documents can be critical to the growth and stability of the business over time.

While 16% of the businesses are exporting directly from their business, they may have questions and issues and need assistance in growth of global sales. Of the 71% that are not exporting, 11% said it was due to restrictive state and/or federal regulations. These businesses may be unclear about how regulations truly work and could be guided through the process. Additionally, 2% of respondents said they have never considered exporting, but would like to look into the prospect.
These are just some of the topics of consideration that could be shared with businesses.

**Priority Project #6: Establish a task force related to communication between the city and businesses.**

The committee is chaired by Debby Gustafson. Committee members include Ling Becker (VHEDC), Ed Jambor (Lake Area Bank), Robert Morse (MidCountry Bank), Chris Olson (GDO Law), Gerry Urban (Urban's Farm & Greenhouses), and Kevin Whelan (Peoples Bank Midwest).

BR&E results indicated that businesses want more communication with the city. One idea is to create a quarterly opportunity for businesses and local governmental officials to meet in a Vadnais Heights Business Council setting. Meetings could include city updates of news relevant to businesses. Sessions could also include a speaker on a topic of mutual interest with opportunities for discussion. These business council sessions would provide opportunities for local business leaders to network and to highlight the importance of business community leadership and engagement in local decision making.

**Related Research Results for Project #6**

Several issues mentioned by survey respondents could benefit from improved communication between the city and businesses.

First, several survey comments described issues with the Fire Department inspection process. Some question licensing and ordinance policies.

Second, some comments indicated that public transportation is lacking within the city, and traffic congestion is a challenge. Some cited a need for more bus routes to improve access for a wider population of workers (e.g. disabled, low-income, etc.). Others mentioned a need for extended route hours for second-shift workers.

Also, businesses rated traffic flow and signage relatively poorly. This item received the second-highest number of votes in terms of “needs improvement,” with 26% of respondents noting a score of 1 or 2 on a 4-point scale with 4 being Excellent and 1 being Poor.

While the foregoing are important issues, they are just some of the topics of consideration that could be shared with businesses.

**CREDITS**

The Vadnais Heights BR&E Task Force selected these priority projects. Monica Haynes and Gina Grensing of UMD’s Labovitz School of Business and Economic Research (BBER) prepared this summary report. Michael Darger provided editing and report compilation assistance.