



# Coon Rapids Business Retention and Expansion Strategies

## Summary Report



**Gold Sponsors:**



**Silver Sponsors:**



**Bronze Sponsors:**





# Coon Rapids Business Retention and Expansion Strategies Program

## SUMMARY REPORT

April 2013

Authored by Brigid Tuck and Michael Darger, University of Minnesota Extension  
For more information on the Coon Rapids BR&E program, please contact Marc Nevinski, City of Coon Rapids, at [nevinski@coonrapidsmn.gov](mailto:nevinski@coonrapidsmn.gov) or 763-767- 6451 or Michael Darger, at [darger@umn.edu](mailto:darger@umn.edu) or 612-625-6246.

### Gold Sponsors:

Connexus Energy  
City of Coon Rapids

### Silver Sponsors:

Xcel Energy  
Central Bank

### Bronze Sponsors:

CenterPoint Energy  
Kraus-Anderson  
Klein Bank

### Partner:

Department of Employment and Economic Development

© 2013 Regents of the University of Minnesota. All rights reserved. University of Minnesota Extension is an equal opportunity educator and employer. In accordance with the Americans with Disabilities Act, this material is available in alternative formats upon request. Direct requests to the Extension Store at 800-876-8636. ♻️ Printed on recycled and recyclable paper with at least 10 percent postconsumer waste material.

## **COON RAPIDS BUSINESS RETENTION AND EXPANSION PROGRAM**

Communities recognize that helping existing businesses to survive and grow is a vital economic development strategy. The Coon Rapids Business Retention and Expansion Program (BR&E) is designed to assist local businesses in thriving and expanding in the city. While attracting businesses from outside the community or encouraging new business start-ups are important components of any economic development strategy, research has shown that up to 86 percent of new jobs are created by businesses already in the community. Minnesota data from 2012 showed four times as many new jobs created by existing business as from either business attraction or entrepreneurship.

The Coon Rapids BR&E Program is a comprehensive and coordinated community approach to assisting existing businesses. Visiting current businesses and learning their concerns is only one component of the process. The BR&E program builds awareness in the community of issues that face businesses and builds capacity for the community to address these issues. The program also assists local leaders and community members in working together to provide solutions to business concerns.

### **Objectives**

The Coon Rapids 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.

### **Sponsorship**

This program is sponsored locally by the City of Coon Rapids, Connexus Energy, Xcel Energy, Central Bank, CenterPoint Energy, Kraus-Anderson, and Klein Bank. The Minnesota Department of Employment and Economic Development also participated in the project.

### **BR&E History**

The Coon Rapids BR&E Leadership Team entered the Business Retention and Expansion program with a successful application to University of Minnesota Extension's BR&E Strategies Program. The first Leadership Team meeting occurred on May 14, 2012, thus officially launching the program.

### **Business Visits**

A total of 27 businesses were visited by volunteers during the business visitation phase. The Coon Rapids Leadership Team decided to approach this BR&E program with a focus on manufacturing. Nonmanufacturing businesses employing 100 or more people were also targeted for visits.

The Coon Rapids Task Force conducted visits from September to November 2013. Visitors worked in teams of two and took responsibility for arranging and conducting the interviews.

### **Warning Flag Review**

After the surveys were completed and returned, the Task Force met to confidentially review each survey and

decide how to handle the immediate follow-up. This Warning Flag review is designed to identify and deal with immediate issues or problems discovered during the survey process, without the need to wait for formal analysis of the survey data. Prompt attention to issues raised, even when the issues may be intractable, creates a positive response from survey participants and builds good will. Businesses who indicated they did not want their individual information released to appropriate resource providers were sent a follow-up letter by University of Minnesota Extension directing them to potential resources.

### **Research Report Development**

The BR&E Leadership Team sent copies of the surveys to the University of Minnesota for tabulation and analysis. A summary of the data was prepared for the December 12, 2012 state research review meeting, where a team of fifteen individuals (listed later in this report) reviewed the results and suggested projects that might respond to the businesses' needs. Brigid Tuck then prepared the Research Report based on the input of the state research review panel, as well as economic development research.

The Research Report identifies three overarching strategies that Coon Rapids could adopt to address general issues reported by the businesses. The Research Report then provides a list of potential project ideas under each of these strategies. The Task Force has the knowledge of the community and what projects are suited locally. The potential projects are only suggestions for the Task Force to consider.

### **Task Force Retreat**

A three-hour Task Force retreat was held on February 19, 2013 in Coon Rapids. At this retreat, the Task Force was presented

the Research Report. The presentation included an overview of the Coon Rapids and Anoka County economy and demographic changes, the composite results of the business surveys, and the three strategies. The Research Report can be viewed on the City of Coon Rapids' website.

The Task Force reviewed and discussed the potential projects and developed new project ideas. In the end, the Task Force established and adopted five priority projects. These priority projects are featured in this report.

Following the Task Force Retreat, the individual project committees met to discuss methods for implementing the projects. The project committees continue to meet. If you have ideas, time, or other talents to contribute to these projects, please contact one of the people listed. Your participation would be appreciated.

## **PEOPLE IN THE COON RAPIDS BR&E PROGRAM**

### **Leadership Team**

The Leadership Team coordinates the BR&E program as well as participates in everything, including business visits. The team leads the group into the implementation phase. The Leadership Team is part of the greater BR&E Task Force.

Overall Coordinator - Maureen Steinwall, Steinwell, Inc.

Business Resource Coordinator - Larry Crane, Northeast Bank

Milestone Meeting Coordinator - Brandi Lunneborg, Mercy Hospital

Visitation Coordinator - Jeff Johnson, Barna, Guzy, & Steffen

Assistant Visitation Coordinator – Angela Woessner, Barna, Guzy & Steffen

Media Coordinator – Matt Brown, City of Coon Rapids

“At Large” Members – Matt Salo, Anoka-Ramsey Community College and Michael Wall, Anoka-Ramsey Community College

City Staff – Marc Nevinski and Vincent Vu

### **Coon Rapids BR&E Task Force**

Many community leaders participated as Task Force members. This group visited businesses, addressed warning flag issues, set priorities for action and will assist in implementing the chosen projects. Task Force members (listed below) also participated in business visits.

Jim Amundson	First Advantage Bank
Duane Arens	Connexus Energy
Jay Bhakta	Holiday Inn Express
Sherry Butcher Wickstrom	Anoka Technical College
Sandy Froiland	Anoka County Workforce Center
Al Hamel	Integrated Real Estate Services
Lori Higgins	Metro North Chamber of Commerce
Doug Hutchings	Mercy/Unity Hospital Foundation
Scott Hudson	Northeast Bank
Mark Johnson	Anoka-Ramsey Community College
Heather Johnson	Mercy Hospital
Steve Jones	Anoka-Ramsey Community College

Jerry Koch City of Coon Rapids

Don McGuire Central Bank

MariBeth Olson Mercy Hospital

Sarah Patnode Anoka Technical College

John Piper City of Coon Rapids

Bruce Saylor Connexus Energy

Mike Scholl Northeast Bank

Scott Schulte City of Coon Rapids

Linda Tabor State of Minnesota Workforce Center

Jerry Teeson Shamrock Development

Kathy Tinglestad Anoka County

Mary Tjosvold Mary T., Inc.

Brad Wise City of Coon Rapids

### **Businesses Visited**

Twenty-seven businesses were visited during the BR&E process. The community greatly appreciates their willingness to help the community understand their needs. Their survey responses are confidential, yet it is important to credit their participation by listing their names here.

A-1 Engineering

Alpha Plastics Co

American Preclinical Services

Anderson Dahlen

Anoka-Ramsey Community College

Barna Guzy & Steffen, Ltd.

Berry Plastics

Biovest International Inc.

Camilia Rose Care Center LLC

Delta Industrial Services  
Dynamic Group, Inc.  
Hom Furniture  
Industrial Door Co, Inc.  
Keller Williams Classic Realty  
Kurt Mfg. Co.  
Lake Air Metal Products  
Mary T., Inc.  
Medtronic PRL  
Park River Estates Care Center  
Pro Source Technologies, Inc.  
RMS  
Roadrunner  
Steinwall Scientific  
Steris Isomedix Svc  
The John Roberts Company  
Xetex  
YMCA

### **Consultants**

Michael Darger, University of Minnesota Extension, served as the BR&E consultant for the Coon Rapids BR&E program. This included coaching and advising the local Leadership Team, conducting volunteer visitor training with the Task Force, assisting the Leadership Team in business selection, facilitating the warning flag review meetings, and participating in the state research review panel.

### **State Research Review Panel**

The panel reviewed tabulated survey results and suggested potential actions that might be taken by Coon Rapids leaders in response to local business concerns. The participants of the December 12, 2012 meeting were:

*Coon Rapids BR&E Task Force*  
Matt Brown, City of Coon Rapids  
Jeff Johnson, Barna, Guzy, & Steffen  
Marc Nevinski, City of Coon Rapids  
Matt Salo, Anoka-Ramsey Community College  
Maureen Steinwall, Steinwall, Inc.  
Michael Wall, Anoka-Ramsey Community College  
*Minnesota Department of Employment and Economic Development*  
Jim Gromberg, Business Development Specialist  
Kyle Uphoff, Labor Market Information  
*Economic Development Professionals*  
Duane Arens, Connexus Energy  
Kathi Schaff, Minnesota Chamber of Commerce  
*University of Minnesota*  
Michael Darger, Extension Center for Community Vitality

Lee Munich, Humphrey School of Public Affairs

Tony Scott, College of Continuing Education

Brigid Tuck, Extension Center for Community Vitality

Mary Vitcenda, Extension Center for Community Vitality

### **COON RAPIDS' ECONOMIC AND DEMOGRAPHIC PROFILE**

A profile of Coon Rapids' economy and demographics was prepared for the Research Report and presented at the Task Force retreat in February. The profile was created and written by the Minnesota Department of Employment

and Economic Development. The profile contains statistics on population, employment, income, commuting and labor sheds, occupations, and education attainment.

A full copy of the profile can be viewed in the Research Report which can be obtained on the City of Coon Rapids' website.

### **COON RAPIDS BR&E SURVEY RESULTS**

Overall, the business interviews reveal a strong manufacturing industry in Coon Rapids. Coon Rapids businesses are responsive to market changes and opportunities. They are capitalizing on the improving economy by growing, expanding, and modernizing. Businesses in Coon Rapids demonstrate they have a vision for the future, with both business plans and succession plans in place. Finally, Coon Rapids has assets including Anoka-Ramsey Community College and Mercy Hospital. The weaknesses identified were primarily related to resources. Coon Rapids is a fully developed city. Businesses looking to expand may have to locate in different communities in order to meet their space

needs. Qualified employees are another resource businesses are seeking. They report difficulties in finding the employees they require.

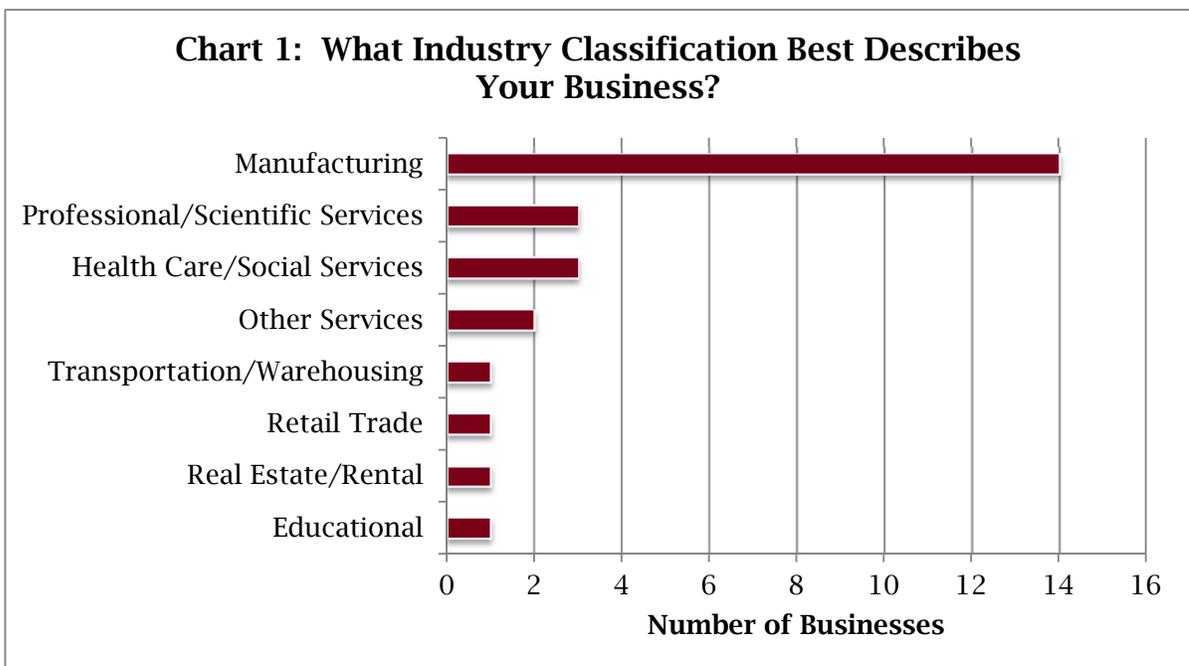
#### **Characteristics of Businesses Visited**

The majority of the visited businesses (77 percent) are locally-owned. Strikingly, over half of the businesses (51 percent) indicated they had moved into Coon Rapids from another location. Seventy-four percent of the visited businesses operate in one single location.

Coon Rapids Leadership Team members decided on a manufacturing focus for this BR&E program. Therefore, it is not surprising that the most common type of business visited was manufacturing, as shown in chart 1.

Interviewed businesses in Coon Rapids currently employ a total of 4,125 individuals. There are 24,563 jobs in Coon Rapids. Total employment at the visited businesses grew by 358 jobs over employment three years prior to the visits. On a per business basis, the number of part-time and seasonal positions is down slightly. Temporary employment is up slightly.

Businesses in Coon Rapids are planning



for change. Only one-third of businesses indicate they are not contemplating any location change, as shown in chart 2. Nineteen businesses are planning to expand – eleven of them in a new location and eight of them in their current location. None of the visited businesses are planning on downsizing, selling, or closing.

**Strategic Themes**

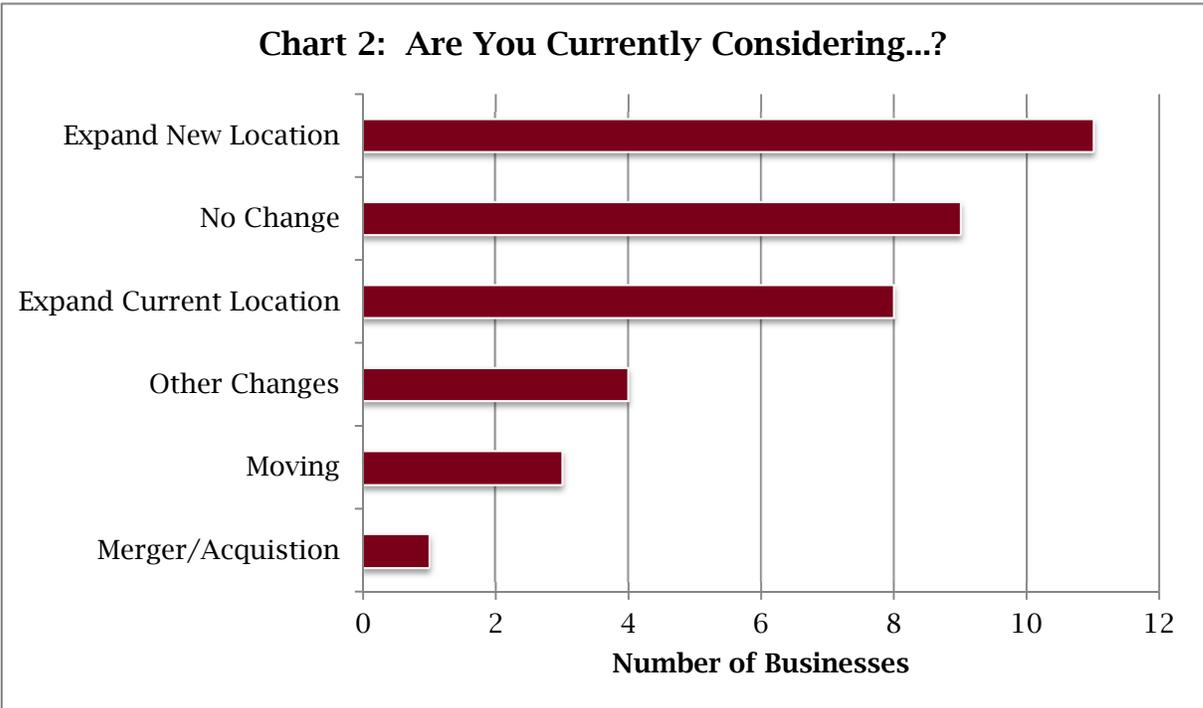
Three primary themes emerged from an analysis of the survey results and from discussions by the state research review panel. These themes, called strategies, provide a framework for studying the issues raised in the Coon Rapids BR&E process. The three strategies identified are: 1) Celebrate the Strong Business Climate in Coon Rapids and Build on Community Successes and Assets, 2) Strengthen Support for Manufacturing, Business Development, and Expansion, and 3) Address Current and Future Workforce Needs and Gaps.

The Task Force, during their February retreat, developed five potential projects to address the business concerns. The

projects selected for implementation by the Coon Rapids BR&E Task Force are listed below, under the relevant strategy. Each strategy description includes the survey results which highlight the need for the project. Each project is then described and detailed with plans from the committee. If you are interested in assisting in any of the project implementations, please contact one of the committee members listed.

**STRATEGY: STRENGTHEN SUPPORT FOR MANUFACTURING, BUSINESS DEVELOPMENT, AND EXPANSION**

Businesses spend a considerable amount of time and resources preparing plans for the future. Both moving and expanding require a business to be proactive. Often, during the planning process, businesses encounter obstacles that make their planned move and/or expansion difficult or impossible. By developing local capacity to assist businesses in these transition periods, communities can increase their ability to retain and grow local businesses. By fostering an



atmosphere where change and growth are valued, the community can encourage local business development.

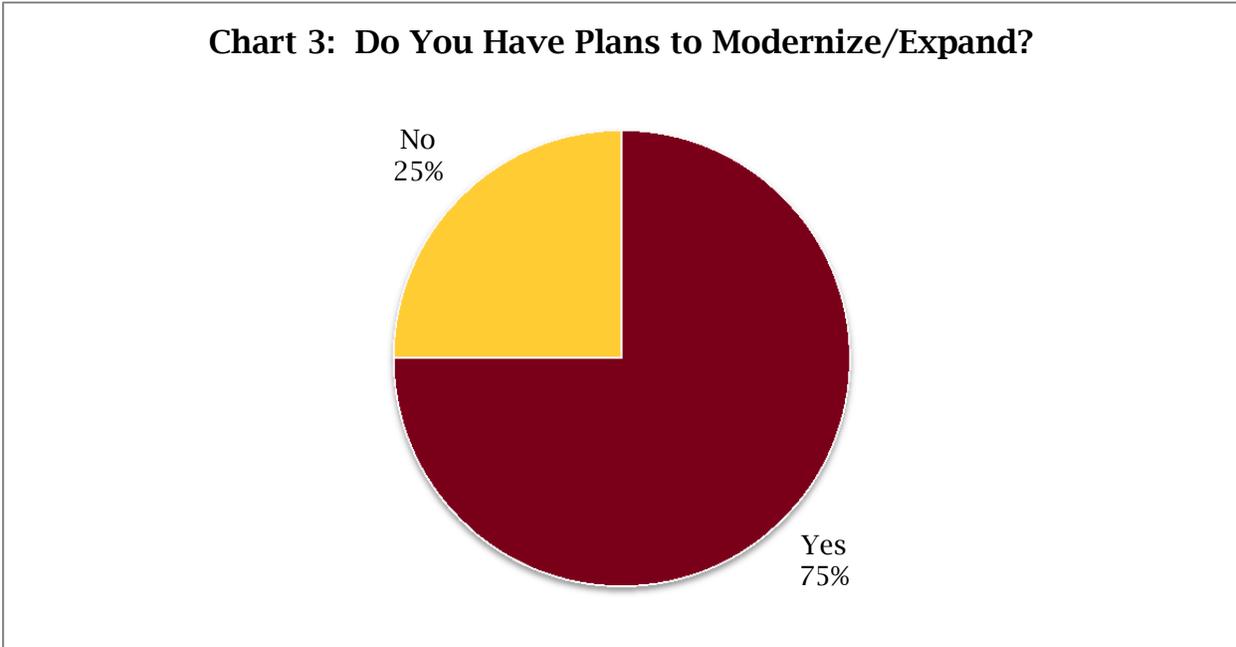
**Related Survey Results**

Three-fourths of the businesses have plans to modernize or expand their current buildings and equipment, as shown in chart 3. When asked what types of projects were planned, businesses mentioned expanding their current building, increasing automation, purchasing equipment, updating electrical systems, and remodeling their facility. One business mentioned expanding into a new building.

Businesses were asked to rate their satisfaction with their current location in terms of land, buildings, and credit in Coon Rapids. Businesses used a scale where 1 equals “very dissatisfied” and 4 equals “very satisfied”. Business assigned the highest average scores (i.e. the most positive) to cost and availability of loans. See Table 1. Availability of land, cost of land, and availability of buildings received the lowest scores (i.e. the least positive). All three fell into the range of 2.5 to 3, indicating that businesses are somewhat dissatisfied with their options in regards to land and buildings in Coon Rapids.

<b>Table 1: Land, Buildings, and Credit in Coon Rapids</b>	
Factor	Average Rating for Coon Rapids 1=Very Dissatisfied; 4 = Very Satisfied
Cost of Loans	3.06
Availability of Loans	3.00
Cost of Buildings	2.74
Availability of Buildings	2.71
Cost of Land	2.68
Availability of Land	2.62

Businesses also rated their satisfaction with utilities in Coon Rapids. Energy reliability and telecommunications and broadband costs received satisfactory average ratings. Broadband speed, however, received a noticeably lower average score of 2.89 or slightly less than satisfied.



## **PRIORITY PROJECT #1: MATCHING GRANTS**

In this project, the City of Coon Rapids will work to provide resources, such as loans and grants, to businesses to facilitate investment and job growth. A critical resource for businesses is the availability of skilled workers. The State of Minnesota provides resources to help train workers in new technologies or to increase skills, and Anoka Ramsey Community College has been a leader in providing customized training for employers. The City of Coon Rapids will consider the use of financial resources typically dedicated to real estate and equipment to assist Coon Rapids Business with Job Skills Training.

This committee is led by Matt Brown.

## **PRIORITY PROJECT #2: REDEVELOPMENT AND LAND USE**

The City of Coon Rapids is responsible for the land use within the City. Through its obligation to prepare comprehensive land use and facility plans, establish and administer zoning standards, and periodically prepare land for reuse, the City will continue to place a high priority on its land use using the aforementioned tools and resources to ensure businesses can continue to invest and grow in Coon Rapids.

This committee is led by Matt Brown and Marc Nevinski.

## **PRIORITY PROJECT #3: SUPPORT FIBER BACKBONE**

The installation of the fiber optical cable is nearly complete and is undergoing testing. In the coming months, Zayo will be rolling out a marketing plan to attract and inform "last mile" providers, such as Comcast and Century Link, of the

opportunities to tap into the fiber backbone. It would then be up to providers to market and sell fiber access to businesses. Cities in Anoka County will also be informed of this marketing plan and presumably be able to market the fiber backbone as a community asset.

This committee is led by Marc Nevinski.

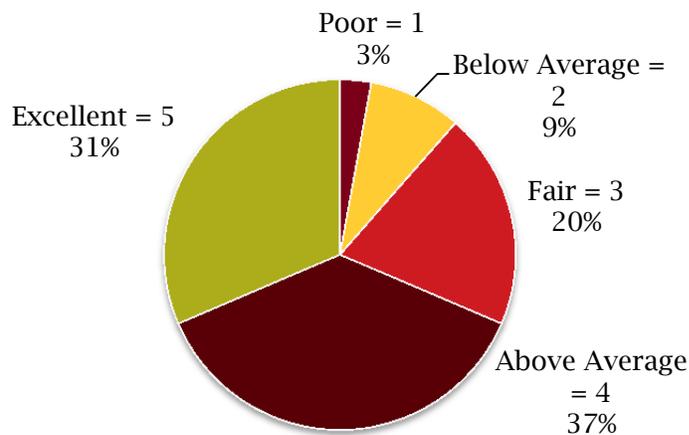
## **STRATEGY: CELEBRATE BUSINESSES IN COON RAPIDS AND BUILD ON COMMUNITY STRENGTHS**

Businesses thrive in attractive, accessible communities. These communities draw resources the businesses require, whether those resources are quality employees, infrastructure improvements, technology, or desired goods and services. Businesses need these resources to be successful and profitable. Coon Rapids has many of these resources at their disposal. The Task Force can consider ways to further capitalize on these resources, to celebrate the strong business climate, and continue to build on the city's success.

### **Related Survey Results**

During the visit, businesses could reflect on Coon Rapids as a business location. Businesses were asked to rate Coon Rapids overall as a "place to do business". As shown in chart 4, Coon Rapids scored relatively low on this measure. On a scale where five equals "excellent" and one equals "poor", Coon Rapids earned an average score of 3.52. In the last 10 years, six metro communities have participated in University of Minnesota BR&E. . The average score on the same question for those communities is 3.91. Coon Rapids, therefore, scored lower on this criterion than the other communities.

**Chart 4: Please Rate Your Community As A Place to Do Business**  
Average: 3.52



**PRIORITY PROJECT #4: CELEBRATE BUSINESS EVENT**

The Mayor is working with the Community Strength Foundation to develop an event that celebrates the contribution of the City's businesses and involves a variety of organizations and entities. Due to determinations made by the State Attorney General's office in the early 2000's, the City must ensure resources dedicated to such events are appropriate and serve a defined public purpose. Collaboration among various organizations will ensure a quality event and the appropriate use of resources.

This committee is led by Tim Howe.

**STRATEGY: ADDRESS CURRENT AND FUTURE WORKFORCE NEEDS AND GAPS**

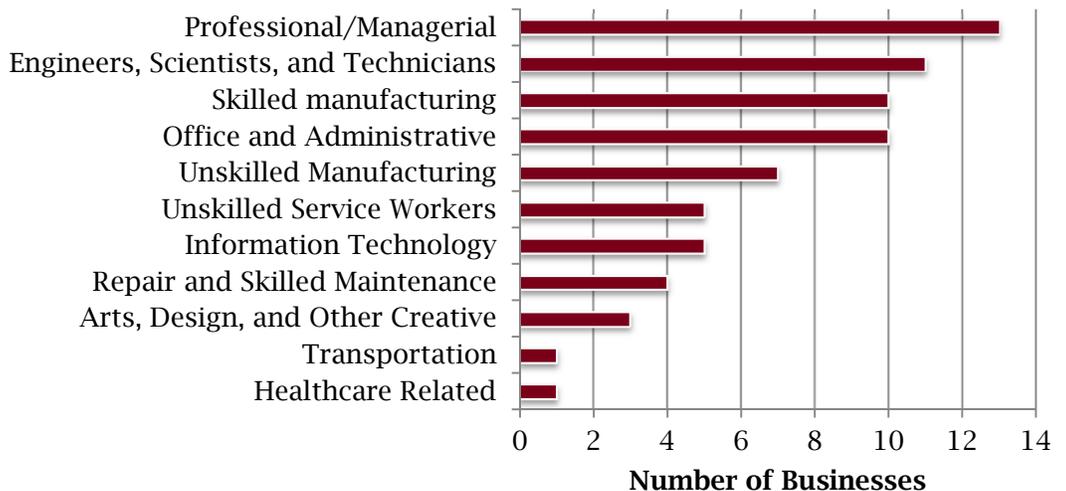
Businesses owned and operated by skilled, well-trained individuals can achieve a greater level of efficiency. This efficiency can then translate into higher

productivity and eventually higher profits. In addition, a qualified pool of applicants for job openings can ease the costs of hiring and training for businesses. Qualified applicants can be recruited to the area or current employees can be trained to increase their efficiency. Businesses, and communities, have an incentive to establish and sustain a qualified employment pool.

**Related Survey Results**

Businesses anticipate continued hiring, as shown in chart 5. In total, businesses anticipate hiring for 900 positions (one company accounts for nearly half of those anticipated jobs). Nearly half of the visited businesses (13 of 27) expect to hire professional and managerial employees in the next three years. Eleven businesses plan to hire engineers, scientists, and technicians. Ten businesses are considering hiring skilled manufacturing employees and office and administrative employees. One business indicated they may decrease skilled and unskilled manufacturing employment in the next three years.

**Chart 5: Do You Expect the Number of Employees to Increase in the Next Three Years?**



If businesses are going to continue to hire, they will need to recruit employees. When asked “does your company have problems recruiting employees in the following categories?”, businesses reported having the most trouble recruiting engineers, scientists, and technicians (selected by 40 percent of businesses), followed by skilled manufacturing workers (37 percent) and repair and skilled maintenance workers (19 percent).

When asked to identify the primary reasons for recruitment problems, responding businesses most commonly cited competition for employees and inadequate labor skills.

Further, businesses appear to express concerns about the quality of their workforce. On a scale where 1 equals “poor” and 5 equals “excellent”, businesses assigned an average score of 4.04 when asked “please rate your employees with respect to their attitude towards work”. Chart 6 illustrates the businesses’ responses to this question. The majority of businesses visited (70

percent) rated employee attitude towards work as above average. In 20 previous BR&E programs conducted with communities in Minnesota, the average score on this question is 4.34, indicating that Coon Rapids is below average on this item.

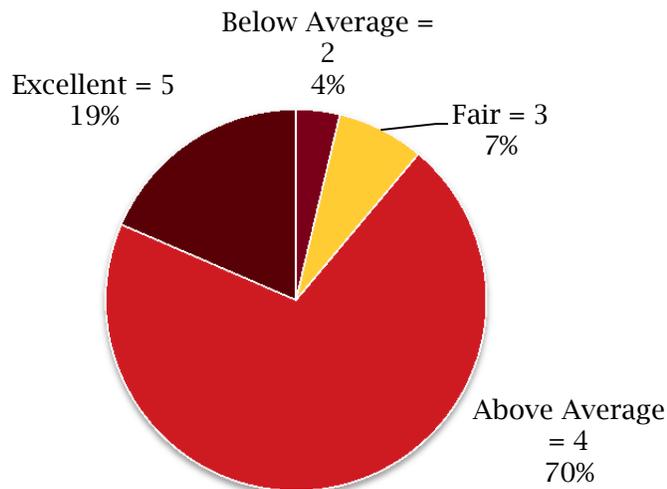
**PRIORITY PROJECT #5: ADDRESS THE SKILLS GAP**

This project is intended to address the skills gap. When there is any difference between what education produces and what employers need, it is the conversation between the players and the act of reaching across the gap between entering skill sets and ideal skill sets that will lead to solutions. Following are two possible action items.

One aspect of this project might deal with ‘career laddering’, that is, a company’s decision to hire a candidate based on potential, and to foster that employee’s development.

A second project consideration is the identification of specific skills and

**Chart 6: Rate Employees Attitude Towards Work**  
**Average: 4.04**



certifications that Coon Rapids businesses feel are lacking or would be advantageous in applicants and new hires. Collection would involve a series of conversations between businesses and higher education in Coon Rapids. The findings would both specifically serve these businesses and help to approximate shared needs of Coon Rapids companies as a larger group. We expect a combination of a survey and face-to-face interviews would be used to collect information. Anoka-Ramsey Community College's Institutional Research and Professional and Workforce Training Departments, BR&E Leadership Team, Workforce Center staff, and additional company representatives would meet to determine the best methodology.

This committee is led by: Michael Wall, Matt Salo, Sandy Froiland, and Steve Jones.

### **CREDITS**

The Task Force selected the priority projects. This summary report was prepared by Brigid Tuck with the University of Minnesota's Center for Community Vitality. Editorial assistance was provided by Michael Darger. Committee members contributed to the project summaries.