

2025 Annual Report

Strategic Plan 2025-2028



northfieldmn.gov/StrategicPlan







Overview

The Strategic Plan is a tool that outlines the City Council's priorities for the organization and community and provides a clear direction of where the City is going and how it intends to get there. It includes a vision, mission, and values that guide actions, along with a set of multi-year priorities that guide decisions, and a plan for implementation and accountability.

The Strategic Plan is an important filter to evaluate projects against and determine if they are a priority and therefore warrant the commitment of staff time and financial resources. Therefore, this plan is integral to the development of the annual budget, the Capital Improvement Plan, and allocation of staff resources.

2025-2028 Strategic Plan

The City's strategic planning process began in late 2024 with Consultant Craig Rapp working closely with City leadership to design a process that reflected both organizational goals and community values. Public engagement was a key component, including individual interviews with the Mayor and Council Members, a citywide community survey, and four facilitated stakeholder meetings to gather diverse perspectives and priorities.

The Northfield City Council identified four strategic priorities for the 2025-2028 Strategic Plan:

1. Improve Financial Strength
 - Ensuring long-term fiscal sustainability through prudent budgeting, diversified revenue, and responsible financial management.
2. Increase Housing Availability
 - Expanding housing options to meet the needs of current and future residents across all income levels.
3. Achieve Infrastructure Sustainability
 - Maintaining and modernizing the City's physical assets, including streets, utilities, and public facilities, through strategic investments.
4. Enhance Service Delivery
 - Improving the efficiency, accessibility, and responsiveness of city services to better meet the needs of the community.

The City of Northfield approved the 2025-2028 Strategic Plan on May 20, 2025. A summary of the Strategic Plan and a progress report update on each strategic priority is provided.

Targets and strategic initiatives are rated according to the following key:

Key

 Not started

 On track

 Paused/pending

 Off track

 Canceled

 Complete



Vision



Northfield is an open, safe, and welcoming community, recognized for its world-class colleges and historic riverfront downtown, and is dedicated to sustainably enhancing and preserving its vibrant culture, celebrated arts, strong economy, and an excellent quality of life where all can thrive.

Mission



The City of Northfield works for the common good of our residents and businesses and the improvement of our community by providing excellent, innovative municipal services that carry out the city's vision for a high quality of life for all.

Values



Teamwork

- Actively participate in cooperative and collaborative approaches
- Commit to equity and the elimination of all discrimination
- Build on our shared successes as a means for workplace satisfaction
- Utilize the experience and expertise within our organization and community

Excellence & Innovation

- Serve by leading and lead by serving
- Focus on clearly defined outcomes to achieve best results
- Commit to continuous improvement building on lessons learned
- Seek creative solutions for difficult problems

Integrity

- Provide outstanding customer service
- Be open, honest, kind, respectful and accountable
- Demonstrate fiscal responsibility
- Act and communicate in authentic ways

Celebration

- Pursue and value diversity and inclusion, and welcome a broad range of perspectives
- Commemorate our unique and rich cultural sense of place
- Recognize others and their contributions
- Celebrate and acknowledge accomplishments

Stewardship

- Protect our physical environment through ecologically sustainable practices and policies
- Maintain, improve and develop high quality municipal assets
- Invest in others through advancement, mentorships and professional development
- Nurture personal well-being through physical and mental health initiatives



2025–2028 Strategic Plan Summary

Strategic priority	Desired outcomes and targets	Strategic initiatives
Improve Financial Strength A financially responsible organization	- Increased commercial-industrial tax base \$50M net increase C/I valuation 2025–2028 \$50M net increase C/I permit valuation 2025–2028 - Increased revenue diversification 10% increase in nontax/non-intergovernmental revenue 2025–2028 - Taxation responsive to community needs & expectations - Tax levy at or below __% over Estimated Market Value (EMV) growth	- Develop and implement Northwest Area shovel ready and recruitment plan - Strategies to develop high potential C/I properties - Create a revenue diversification program (new and updates) - Implement a coordinated 2-year budget and aligned financial management plan 5-year financial management alignment with service level strategy
Increase Housing Availability Addressing the city's affordable housing need	- Expanded availability of single-family housing - Add 50 single-family homes annually through 12/2028 - Expanded availability of multi-family housing - Add 50 multi-family homes annually through 12/2028 - Preservation of housing quality and affordability 30 NOAH units preserved/rehabbed annually through 2028	- Develop and implement single family home expansion strategy and recruitment plan - Implement new and existing housing stabilization programs - Create a strategy to reduce homeownership disparity - Create development subsidy standards and policy - Create a plan for publicly owned high priority redevelopment sites
Achieve Infrastructure Sustainability Infrastructure that supports community needs	- A flood resistant community - Flood plan fully implemented by 2028 - Improved pedestrian safety 10 new pedestrian crossings installed 2025–2028 - TH3 pedestrian and biking plan improvements completed by 12/2028 - Safe Streets for All Plan complete 12/2028 - Dam-free river - Dam removal completed by 12/2029	- Implement downtown flood improvements - Implement neighborhood flood improvements - Implement citywide pedestrian crossing improvement plan - Create pedestrian and biking crossing improvement plan for TH3 - Create a safe street for all plan - Create a dam removal strategy
Enhance Service Delivery A community that cares about its residents	- Capacity to meet desired service levels - Full implementation of critical capacity-building measures across Administrative Services, Police, and Streets & Parks by 2028 - Community input guides service improvements - Conduct a citywide community survey every other year starting in 2026 - Downtown parking needs are met - Comprehensive downtown managed parking solution in place by 12/2026	- Identify long-term service delivery needs - Defined service levels in core services - Review and update Communications Plan - Develop a survey framework - Create a downtown managed parking plan



Strategic priority #1: Improve Financial Strength

Outcomes and targets status

Desired outcomes	Target	Status
1. Increased commercial-industrial tax base	a. \$50M net increase C/I valuation 2025-2028 b. \$50M net increase C/I permit valuation 2025-2028	 Staff is reviewing the \$50M metric for tax base growth and plans on an updated recommendation in November
2. Increased revenue diversification	a. 10% increase in nontax/non-intergovernmental revenue 2025-2028	 Completed a 10-year rate adjustment for gas and electric franchise fees along with a 5-year utility rate study and implementation of 2026 rates the first year of the rate period
3. Taxation responsive to community needs & expectations	a. Tax levy at or below __% over Estimated Market Value (EMV) growth	 Staff is recommending to change Outcome and Target to "5-Year Financial Plan Approved Annually that Includes Tax Levy Targets for each year end 2026, 2027, 2028." Progress is being made on the financial plan model and staff is suggesting to continue to work on the financial planning continuing in January 2026



Executive summary

1. Increased commercial-industrial tax base

- The City is advancing initiatives to grow Northfield's commercial and industrial base through stronger partnerships, targeted marketing, and infrastructure investment. Staff is coordinating among landowners, power suppliers, and development brokers while preparing new marketing materials showcasing industrial properties and complementary industries.
- Efforts are underway to continue to expand private owners with infill industrial sites to encourage offering sites for development (infill and new development in the northwest area).
- A power study application has been submitted to Xcel Energy for the northwest area to explore expanded power to the site and costs. The City Council also has included in Capital Improvement Plan budgets a new water tower in development in the northwest area along with a sewer main collector expansion to complete 30% construction documents.
- The Zoning Ordinance is being planned for amendments in 2026 that would include added flexibility of density and potentially expanded industrial uses within some areas of the Highway Commercial District.

2. Increased revenue diversification

- Multiple avenues of revenue diversification are in consideration to strengthen fiscal sustainability, ensuring the continued provision of essential services, infrastructure investment, and responsiveness to community needs without over relying on residential property taxes. By reviewing existing revenues and exploring new funding sources, the City can optimize current streams and identify innovative options. Completed efforts include building inspections service with Dundas. Pending and under review initiatives include increases in franchise fees, college voluntary donations, park dedication fees, code enforcement fines, parking fees, broadband franchise fees and more.

3. Taxation responsive to community needs & expectations

- Ensuring taxation remains responsive to community needs and expectations requires aligning revenue strategies with service priorities and long-term fiscal goals. Staff recommend that Council consider establishing a target or guideline for property tax adjustments to enhance transparency, predictability, and accountability in funding essential services. Progress is being made on the 2026 budget and levy being completed earlier than prior years with plans to continue 2027 budget development in January. Additionally, the 5-year financial planning would continue concurrent with the 2027 budget development continuing in January.



Initiatives status

Initiative	Status	What we've done	Next steps
I. Develop and implement Northwest Area shovel ready and recruitment plan		• Approved preliminary budget including water tower project and sanitary sewer collector plans • Xcel Power demand request • Northwest area private owner commitment on listing property for sale	• Enhance relationships among landowners, power suppliers, and development brokers, etc. • Produce additional marketing materials highlighting industrial property and Northfield complimentary industries • Construct water tower and preliminary sanitary sewer collector 30% construction plans • Develop cost-share policy for northwest area dependent on infrastructure needs
II. Strategies to develop high potential C/I properties		• Preliminary budget included zoning code update	• Zoning and subdivision ordinance update • Identify infill sites, complimentary uses and developers, and update marketing materials • Pursue redevelopment initiatives and partners
III. Create a revenue diversification program (new and updates)		• 10-year gas and electric franchise fee approved • 5-year utility rate study completed with 2026 rates set • Staff has begun a list of potential alternative revenue sources • Analysis of local option sales tax, broadband franchise, park fees initiated • Council approved State of Minnesota capital bond request \$2.5M NCRC for 2027 legislative session	• Develop calendar of proposed alternative revenue source options • November local option sales tax initial review in conjunction with the Capital Improvement Plan(CIP) analysis • Further enhancement and lobbying for NCRC capital bonding request



Initiative	Status	What we've done	Next steps
IV. Implement a coordinated 2-year budget and aligned financial management plan		2026 preliminary budget and levy targets completed ahead of schedule	- Complete preliminary tax levy and budget for upcoming year as realistic final option at October 21, 2025 meeting - CIP and CEP 2026 finalized by November 18, 2025 - Develop 5-year financial plan that aligns with 5-year CIP and revenue targets - Create new schedule and budget guide to align with expanded planning
V. 5-year financial management alignment with service level strategy		Advanced budget and tax levy planning for 2026 and 2027	- Continue 2027 budget and levy work in January along with 5-year Financial Plan that includes CIP and CEP 2026-2031 - Council determination of priority position implementation with clear budget finance implications



Strategic priority #2: Increase Housing Availability

Outcomes and targets status

Desired outcomes	Target	Status
1. Expanded availability of single- family housing	a. Add 50 single-family homes annually through 12/2028	 9 single family units have been added in 2025 as of 9/30
2. Expanded availability of multi- family housing	a. Add 50 multi-family homes annually through 12/2028	 0 multi-family housing units added in 2025 as of 9/30
3. Preservation of housing quality and affordability	a. 30 NOAH units preserved/rehabbed annually through 2028	 109 NOAH properties preserved in 2025 as of 9/30

Executive summary

1. Expanded availability of single- family housing

- As of September 30, nine single-family units have been added to the city's housing stock in 2025. Several additional housing projects in city limits are currently in various stages of development. These include Kraewood Final Plat (22 units), Bluff View (55), Cedar Meadows (149), Fargaze Meadows/Abbey Road Extension (22), Harvest Hills (20), Festler Farms (20), and Southbridge HRA (2). While current growth remains gradual, these projects represent substantial future housing capacity once development progresses.

2. Expanded availability of multi- family housing

- As of September 30, no new multifamily units have been added to the City's housing stock. However, several multifamily projects are currently in various stages of development. These include Gracewin at Cedar Meadows (45 units), HRA/Fargaze Meadows/Abbey Road Extension (12), HRA Southbridge (68), HRA 308 Cherry/315 Linden Street (15), HRA 706/716 2nd Street (12-13), HRA 307 Sumner Street (4), HRA MnDOT Site (unknown preliminary concept), City 5th & Washington (unknown preliminary concept), City Water Street Redevelopment (unknown preliminary concept), Harvest Hills (10), Festler Farms (66), and Heritage Lofts (170). These projects will considerably expand the city's multifamily housing options.

3. Preservation of housing quality and affordability

- Prior to establishing the 4D tax incentive program, the City of Northfield primarily supported Naturally Occurring Affordable Housing (NOAH) preservation through rehabilitation programs funded by the Federal Community Development Block Grant (CDBG). Since launching the 4D program in January 2025, the City has assisted property owners with improvements such as Knox boxes and ground-floor window replacements related to the Northfield Estates project that required preservation of NOAH units. To date, 109 NOAH units have been preserved in 2025 (54 Northfield Estates, 50 for Jefferson Square which is pending, and 5 related to HRA rehabilitation loans (3 manufactured homes and 2 single family homes)).



Initiatives status

Initiative	Status	What we've done	Next steps
I. Develop and implement single family home expansion strategy and recruitment plan		• Comprehensive plan adopted (5/20/25) • Short-term housing ordinance adopted (5/20/25) • Repel 20% rental licensing restriction R1 and R2 (5/20/25)	• Adopt Inclusionary housing ordinance • Update zoning code • Expand Down Payment Assistance program • Develop recruitment materials identifying land and contact information for prospective private developers • Initiate list of prospective developers and begin recruitment with marketing materials for private properties and city properties • Activate HRA potential projects
II. Implement new and existing housing stabilization programs		• Continue to partner with Community Action Center, Three Rivers Community Action, Habitat for Humanity to develop affordable units	• Building Department Emergency Housing Navigation grant (CAC partnership) • Manufactured Home Repair Program grant (TRCA partnership) • Explore HRA partnership with The Key related to their expansion exploration including temporary emergency housing options



Initiative	Status	What we've done	Next steps
III. Create a strategy to reduce homeownership disparity		Continue down payment assistance Program	- Research and develop an infill strategy - Research and update manufacture home buyout program - Research and develop housing legacy program
IV. Create development subsidy standards and policy		There are existing subsidy agreements	Initiative is planned to begin in 2026 to explore more targeted goals for use of TIF and also further explore tax abatement as a tool for housing incentives to meet goals
V. Create a plan for publicly owned high priority redevelopment sites			Initiative is planned to begin in 2026

Strategic priority #3: Achieve Infrastructure Sustainability

Outcomes and targets status

Desired outcomes	Target	Status
1. A flood resistant community	a. Flood plan fully implemented by 2028	● Council received project update at September 9, 2025 Council meeting
2. Improved pedestrian safety	a. 10 new pedestrian crossings installed 2025–2028 b. TH3 pedestrian and biking plan improvements completed by 12/2028 c. Safe Streets for All Plan complete 12/2028	● 5 Crossings improved in 2025 ▶ Budget request in 2026 for 2027 budget consideration ● Applied for Safe Streets and Roads for All Grant in 2025
3. Dam-free river	a. Dam removal completed by 12/2029	● Agreement with Post Customer Brands for ownership transfer signed

Executive summary

1. A flood resistant community

- Since 2020, the city has advanced two flood studies to address downtown and neighborhood flooding risks.
- The Downtown Flood Study (2020–2023) updated Cannon River modeling and prepared a FEMA Benefit–Cost Analysis, identifying projects eligible for grant funding. Council approved a floodwall extension north of the 4th Street Bridge (301, 207, 205 Water Street) with a \$5.2M cost, anticipating a 50% grant share (\$2.6M).
- The Neighborhood Flooding Study updated surface water modeling, identifying at risk properties and feasible mitigation projects. Five properties remain where infrastructure fixes aren’t feasible; recommendations include home modifications or acquisition. Staff is preparing options for Council consideration to try address the at-risk properties. City policy now prioritizes regional flooding solutions

2. Improved pedestrian safety

- The City is advancing two key initiatives to improve pedestrian and bicycle safety. The TH3 Pedestrian and Biking Crossing Improvement Plan will identify and prioritize safe crossing locations and design options to improve connectivity between neighborhoods, schools, and downtown. Staff plan to request project funding in 2026 for inclusion in the 2027 budget.
- The City has also applied for a Safe Streets and Roads for All (SS4A) grant to develop a comprehensive Safe Streets for All Plan aimed at reducing roadway fatalities and serious injuries. If awarded in Fall 2025, the City will issue an RFP in the second quarter of 2026 to begin plan development. Together, these efforts support Northfield’s commitment to creating a safer, more accessible, and multimodal transportation network for all residents.



- Staff are working on a resolution, which they’ll bring to the Northfield Transportation Committee for input for Council action by end of the year, advocating for added pedestrian safety improvements to align with MnDOT capital projects and requesting a corridor safety and intersection control analysis.

3. Dam-free river

- The Ames Mill Dam, built in 1918 on the Cannon River, is no longer operational but remains a key feature in downtown Northfield. The City completed Phase 1 in 2023, which included a DNR-recommended dam study and feasibility analysis. Phase 2, launched in 2025, focuses on stakeholder engagement, design evaluation, and ownership transfer from Post Consumer Brands to the City. Dam removal is under consideration as the preferred option. Future phases (2026–2028) will include design, permitting, and construction to support river restoration, recreation, and downtown revitalization while meeting historic preservation requirements. Action is scheduled for Council to take in November 2025 related to a conditional land transfer agreement from Post Consumer Brands to the City. A detailed summary of the project schedule and scope is planned in conjunction with that action.

Initiatives status

Initiative	Status	What we’ve done	Next steps
I. Implement downtown flood improvements		• Two phase grant funded study took place from 2020-2023 • Phase 1—Updated Hydraulic River Modeling and Identifying at-risk properties • Phase 2—More in depth modeling and preparing FEMA Benefit-Cost-Analysis (BCA)	• Pursue grant funding • Begin preliminary design on west flood fall
II. Implement neighborhood flood improvements		• Surface Water Management Plan updated in 2020 • Staff identified properties at risk for flooding and performed detailed modeling and options • Identified feasible projects that could reduce flooding risk at properties • Lincoln Waterway project completed in 2024	• Continue flood improvement projects • Flooding infrastructure improvements under contract for improvements in 2026 • Preparing options for Council for 5 at-risk properties for flooding



Initiative	Status	What we've done	Next steps
III. Implement citywide pedestrian crossing improvement plan		• Crossings identified and incorporated into Capital improvement Plan. • 5 crossings improved in 2025	• CIP adoption each year by Council to continue improvements
IV. Create pedestrian and biking crossing improvement plan for TH3			• MnDOT safety and intersection control study request in 2025 for implementation in 2027 • Funding request to Council in 2026 for 2027 budget to begin project
V. Create a safe street for all plan		• Applied for Safe Streets and Roads for All (SS4A) grant program. Awaiting fall 2025 award notification	• If grant awarded issue RFP in Q2 of 2026
VI. Create a dam removal strategy		• Phase 1 Completed • Dam study conducted and completed per DNR recommendations • Feasibility study approved by City Council on November 21, 2023 • Phase 2 in Progress • Stakeholder engagement meeting with project partners held on September 17, 2025, to kick off the project • Contractual agreement finalized with Post Consumer Brands to transfer ownership of the property to the City	• Preliminary design and begin Environmental Assessment Worksheet (EAW)



Strategic priority #4: Enhance Service Delivery

Outcomes and targets status

Desired outcome	Target	Status
1. Capacity to meet desired service levels	a. Full implementation of critical capacity-building measures across Administrative Services, Police, and Streets & Parks by 2028	II Implementation of identified departmental restructuring is underway for 2026 and will continue review with 2027 budget analysis of other positions
2. Community input guides service improvements	a. Conduct a citywide community survey every other year starting in 2026	● RFP for community survey issued in August 2025
3. Downtown parking needs are met	a. Comprehensive downtown managed parking solution in place by 12/2026	▶ City Council direction needed

Executive summary

1. Capacity to meet desired service levels

- The City has been evaluating three staffing studies: Police (2019, Novak), Parks/Streets (2024, Baker Tilly), and Administration (2024, Baker Tilly) to build critical staff capacity.
- The Police Study is 90% implemented, including restructuring one FTE community service officer (CSO) into two part-time positions that require active progress toward becoming a licensed peace officer. This will ease transitions to potential full-time officers. This action was recommended in the 2019 study. The Police Department did not have any other changes so the staffing levels are at or above the recommended 2019 study levels.
- Steps from the Administration Study are underway, with plans to hire a full-time sustainability coordinator, change the assistant to the city administrator to the assistant city administrator role as a re-organization and add the human resource manager position.
- The Public Works Maintenance position was eliminated from the 2026 budget as part of the property tax levy reduction strategies. This means that there are not any increased staffing to meet demands based on the 2024 Parks and Streets staffing analysis. Parks and Streets staffing analysis remains ongoing as budget considerations are assessed.

2. Community input guides service improvements

- In August 2025, the City issued an RFP for a consultant to conduct a community satisfaction survey in early 2026. Sixteen firms responded, and a selection will be made with a survey timeline established by year-end. The survey will be conducted in early 2026, with results presented to the City Council in May 2026.

3. Downtown parking needs are met

- Staff is seeking Council direction on prioritizing the target of implementing a comprehensive downtown managed parking solution by December 2026. No funding is budgeted in 2026 to conduct a study, and the Community Development Department is currently without a director and facing staffing and project capacity constraints. These factors may make the target difficult to achieve, and Council input is needed on whether to adjust or reprioritize. City Administrator Martig is recommending to remove this as a strategic priority. This action would put added

focus from Community Development to focus on the housing and tax base growth priorities. The parking analysis could still be pursued as part of day-to-day operations should it come up as a need such as tied to a project or other action.

Initiatives status

Initiative	Status	What we've done	Next steps
1. Identify long-term service delivery needs		Staffing studies completed for Police (2019, Novak), Parks/ Streets (2024, Baker Tilly), and Administration (2024, Baker Tilly) to inform staffing capacity and limitations.	
2. Defined service levels in core services		City Administrator assessed service level needs as part of the 2026 budget review process	Service levels across departments will be adjusted in 2026 as budget and organizational structure changes require and will be evaluated further in upcoming 2027 budget and 5-year financial plan
3. Review and update Communications Plan		- Developed a communication tool menu to assist staff in implementing communication plans for major projects and initiatives - The Communications staff has begun reviewing communication plans for major projects and events	- Update the communications tools audit and establish a process to differentiate tools from tactics - Prioritizing communications based on strategic plan priorities
4. Develop a survey framework			- Conduct Community wide survey Q1 2026 - Work with the selected firm as they develop survey questions and strategies for the study
5. Create a downtown managed parking plan			Council input needed on whether to adjust or reprioritize; staff recommends to eliminate from strategic plan

