



Stantec

NW Development Area Alternative Urban Area-wide Review (AUAR) Process



Presentation Overview

1. Project Overview

2. AUAR

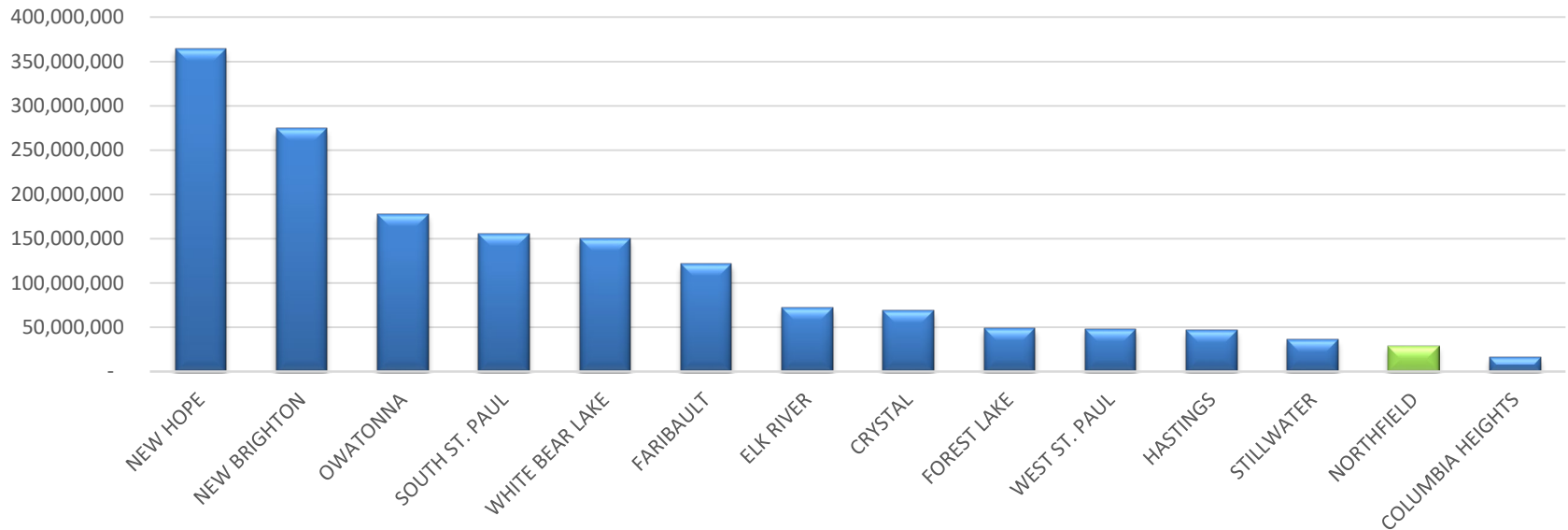
- AUAR Basics
- Development Scenarios
- Scoping EAW Process
- Mitigation Plan
- Required Topics
- Process

CITY OF NORTHFIELD: ECONOMIC VITALITY

- Tax Base Growth was a priority in current and last strategic plan
 - 2018-2020 (initial)
 - 2021-2024 (current)
- Prioritize infill while at same time moving steps forward for development in NW area as primary new growth development for the future
- Xcel Energy Shovel Ready Program (50 acres)
 - Note: Some area developed with solar farms so need to expand area*
- NW Area Advisory Committee (2019) met and provided recommendations and next steps:
 - Incremental development consistent with recommendations
 - Establish zoning
 - Note: originally staff was recommending a new district but upon closer review the existing Economic Development Floating District (ED-F) will be good fit for this area.*

CITY OF NORTHFIELD: TAX BASE COMPARISON

Industrial EMV 2020 - Peer Comparison

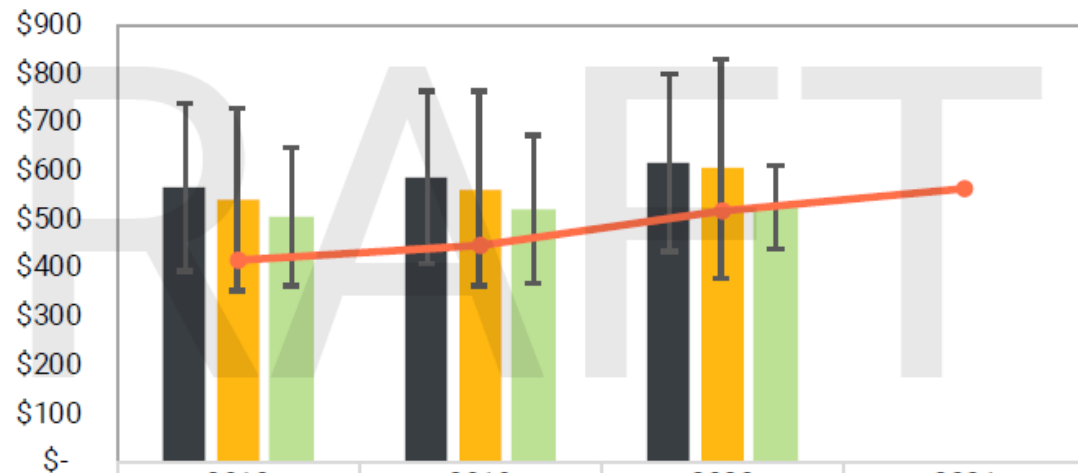


- Northfield's Industrial Estimated Market Value is 23% of the Peer Group average
- Improving the City's Industrial Tax base is a priority of the strategic plan

Key Ratios – Peer Comparison

Northfield City
Taxes Per Capita
are lower than all
compared groups

Taxes - Per Capita



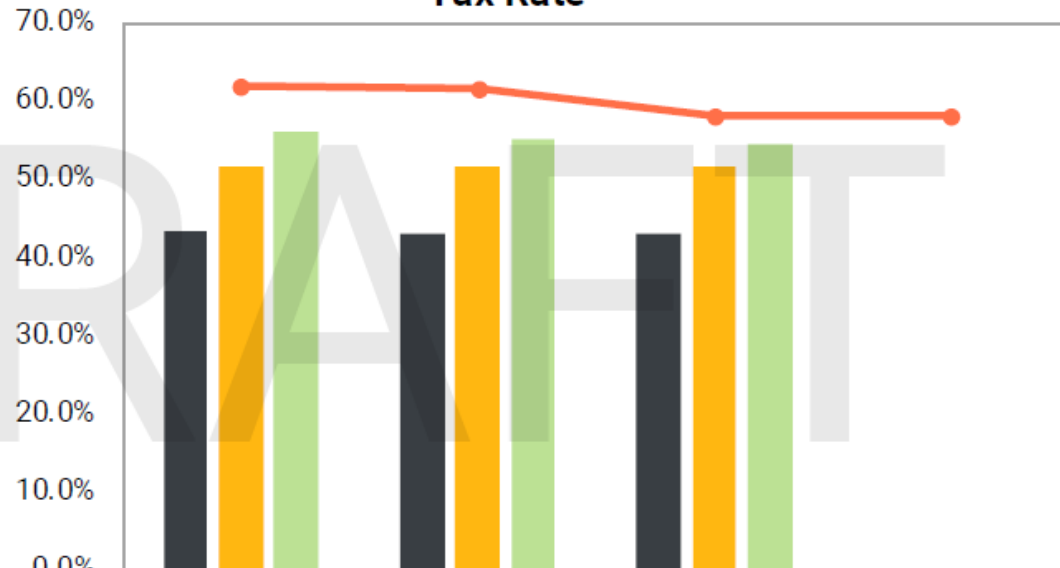
| | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------|-------|-------|-------|-------|
| Class 2 Cities (20,001 - 100,000) | \$569 | \$589 | \$620 | N/A |
| Class 3 Cities (10,001 - 20,000) | \$543 | \$564 | \$608 | N/A |
| Cities in Rice County | \$507 | \$523 | \$528 | N/A |
| City of Northfield | \$419 | \$450 | \$517 | \$568 |

Source: Abdo, Eick & Meyers, LLP Audit Presentation

Key Ratios – Peer Comparison

Northfield's Tax Rate is higher than the Rice county average and Class 2 & 3 Cities

Tax Rate



| | 2018 | 2019 | 2020 | 2021 |
|-----------------------------------|-------|-------|-------|-------|
| Class 2 Cities (20,001 - 100,000) | 43.3% | 42.9% | 43.1% | N/A |
| Class 3 Cities (10,001 - 20,000) | 51.5% | 51.8% | 51.7% | N/A |
| Cities in Rice County | 56.2% | 55.3% | 54.4% | N/A |
| City of Northfield | 62.0% | 61.5% | 58.2% | 58.2% |

Source: Abdo, Eick & Meyers, LLP Audit Presentation

CITY OF NORTHFIELD: STRATEGIC PLAN GOALS

- Strategic Plan (2021-2024 Goals)

A. Commercial/Industrial (C/I) New Permit Value Increase by \$50M by 2024

2021 = \$25,151,988

2022 = \$17,050,000

2021+2022 = \$42,201,988

2023 = N/A

2024 = N/A

B. =<50% of new C/I developed on infill site

2021 = 100%

2022 = 100%

2023 = N/A

2024 = N/A

** In Process: Working on illustration to show how tax rate on how increased C/I values will impact tax rates (if we are at middle of peers or top of peers).*

CITY OF NORTHFIELD: CURRENT AVAILABLE LOTS

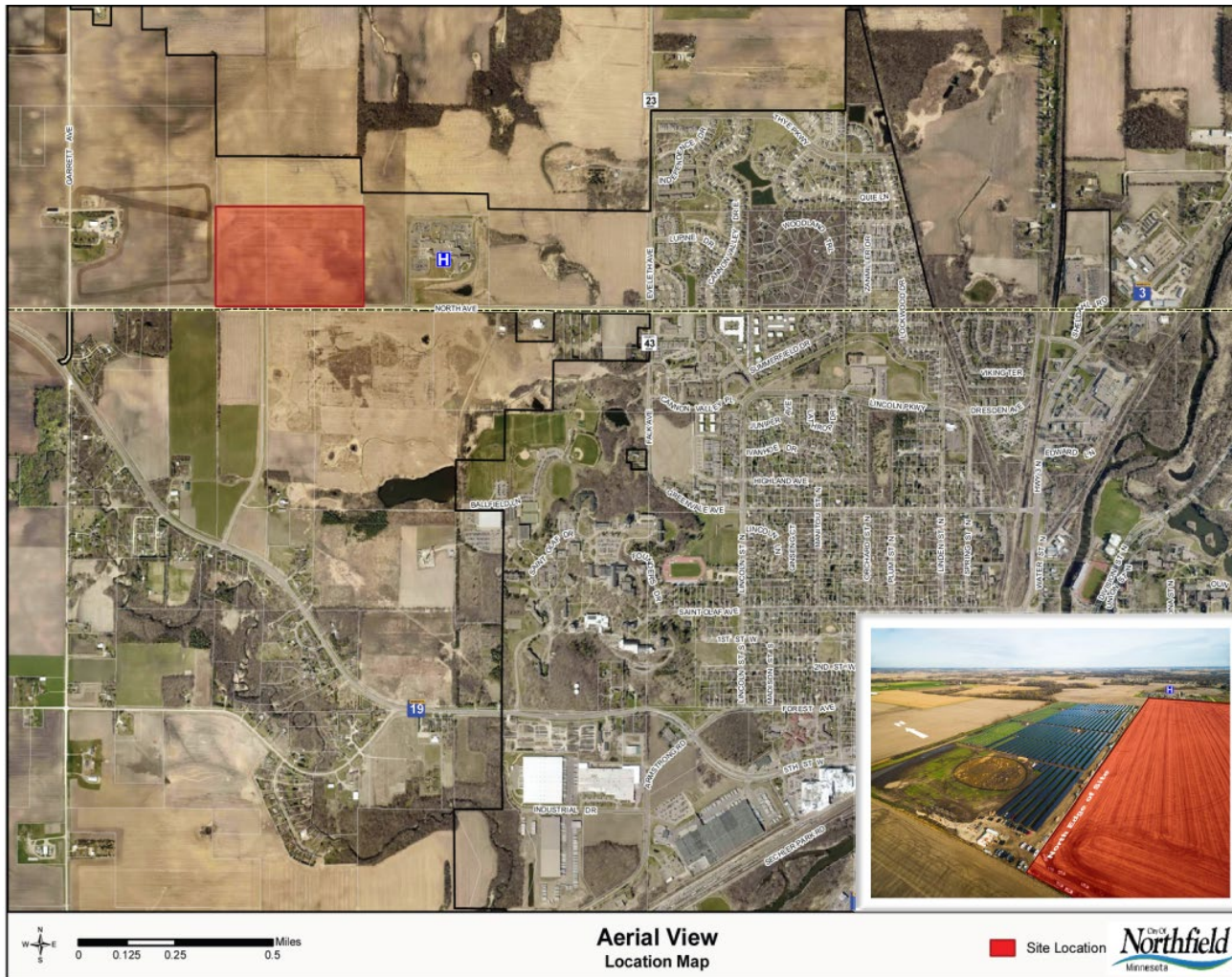


CITY OF NORTHFIELD: CURRENT AVAILABLE LOTS (REASONABLE PRICE & RESPONSIVE OWNERS)



URGENT: *Northfield is substantially underserved by light industrial infill sites. Economic development tax base goals cannot be served by existing properties so we must proceed with new growth plans.*

CITY OF NORTHFIELD: NW AREA NEW GROWTH



CITY OF NORTHFIELD: NEXT STEPS

- Xcel Energy is offering to fully fund an AUAR Process
 - Estimated value \$150,000 – \$250,000
- Related Next Steps:
 - Initiate AUAR Process and Complete
 - Complete Re-Zoning Incremental (at least 50 acres – need to adjust with solar farm)
 - Explore zoning changes in areas for stand alone solar farms with completion of City Energy Transition Plan (Nokomis Energy 2022)
 - Infrastructure analysis
 - Other to be determined

OVERVIEW: CERTIFIED SITE, READY SITE AND READY BUILDING

- Xcel Energy's real estate programs help communities attract capital investment and create new, high-paying jobs
- The programs focus on establishing real estate options to attract new and expanding businesses
- This partnership ensures that our program follows a robust and credible certification protocol that site consultants and businesses value, and results in a broad inventory of sites and buildings in our eight-state service area

Where we work.



THE PROCESS



STEP 1

GATHER INFORMATION

Our certification process starts with the collection and validation of essential property attributes that are attractive to expanding or relocating businesses, like:

- Zoned for commercial/industrial use
- Certified Sites are at least 40 acres, Ready Sites are at least 20 acres, and Ready Buildings are at least 20,000 square feet and in very good condition
- Reliable and robust electric power service or capacity available from Xcel Energy
- Good transportation access
- No significant environmental or flooding/wetlands concerns



STEP 2

EVALUATION AND DUE DILIGENCE

Using information gathered during in-person or virtual site visits, complemented by details provided by municipalities, other utilities and economic development organizations, our team reviews the due diligence on the property and infrastructure, including any required studies. Equipped with the knowledge we've gathered, businesses can move faster as they evaluate our available real estate.



STEP 3

CERTIFICATION AND MARKETING

Once a site or building completes the certification process, we promote it through a wide range of channels. Certified Sites, Ready Sites and Ready Buildings receive:

- Feature on Xcel Energy's Economic Development website
- Two-page marketing brochure
- Customized presentations for national site selectors and prospect proposals
- Promotion at national trade shows and industry events
- Promotional drone video and electronic binder (Certified Sites only)

CITY COMPREHENSIVE ECONOMIC DEVELOPMENT PLAN (2006)

- This plan has “aged well” despite some data being very industry and market specific
- The study includes aligning where Northfield may be at a unique advantage and meets market needs
- Plan includes implementation strategies in the matrix including those we are currently doing with preparing for growth in a strategic manner
- Staff is following our plans as a guide to implement strategic priorities identified by Council

<https://www.northfieldmn.gov/DocumentCenter/View/575/CEDP---TIP-Plan-EconDev-2006?bidId=>

target industry list

The following industries were identified as having the highest potential for success in Northfield. Additional information regarding each industry is provided on pages 60 to 77.

- ▶ Logistics. Firms involved in moving goods from producer to consumer in the most efficient manner. More sophisticated than warehousing and trucking activities of the past.
- ▶ Specialty manufacturing. Firms requiring IT capacity for manufacturing and paying above average wages for technical skills. Markets are specialized and emphasis is on design over production.
- ▶ Environmental technologies. Products and processes which are environmentally beneficial or benign. Includes industries such as renewable energy, sustainable building products, pollution control equipment, waste management, and remediation services.
- ▶ Healthcare/medical. Activities covered under this target range from direct patient care to diagnostic services to medical research.
- ▶ Professional/technical services. Includes a variety of occupations: attorneys, accountants, marketing and advertising, architects and engineers, testing and R&D.
- ▶ Information technology. Includes firms that produce, transmit, or process data. Examples include publishing, software, broadcasting.

SUCCESS STORIES

Hewlett Packard Enterprise – Chippewa Falls, Wisconsin

Hewlett Packard Enterprise (HPE) acquired Chippewa Falls-based Cray Inc. in 2019 and is developing a Global Center of Excellence for High Performance Computer Manufacturing. HPE has a \$200 million+ impact on the regional economy. For more project information, click [here \(external link\)](#).

CloudHQ to start constructing \$1 billion data center in Chaska next year



The exterior of CloudHQ's proposed datacenter in Chaska.
CLOUDHQ VIA CITY OF CHASKA

SUCCESS STORIES

Umoja Biopharma Inc. – Louisville, Colorado

Umoja Biopharma Inc, a Seattle-based developer of cancer therapies, is setting up a 146,000-square-foot facility in Louisville's Colorado Technology Center. The plant will house labs, offices and manufacturing space for lentiviral vector production. The first manufacturing run is expected to begin in 2023. Umoja's project is anticipated to create about 100 jobs, and equipment and capital expenditures could top \$70 million over the next five years. Click [here \(external link\)](#) for more details.

Kalera – Aurora, Colorado, and St. Paul, Minnesota

Kalera, one of the fastest growing vertical farming companies in the United States, has established two new vertical farming operations in Xcel Energy service territories. The company opened its fifth vertical-grown-greens facility in an Xcel Energy Ready Building at Gateway 23 in Aurora, Colorado. They have also chosen to locate 80,000 square feet of operations in the previous Schmidt Brewery property in St. Paul, Minnesota, which will begin operations in May 2022. Click [here \(external link\)](#) for more details.

What is an Alternative Urban Area-wide Review (AUAR)?

- Alternative to an Environmental Impact Statement (EIS). Answers the same 20 questions contained in the EAW form to same level of detail as an EIS
- Community planning tool
- Ideally suited to addressing the environmental effects of the development of a geographic area, where specific uses and timing are unknown
- Must be updated every 5 years until the project is built out. There are active AUARs in Minnesota that have been in place over 25 years

AUAR Basics continued

- An AUAR includes Development Scenarios
 - Allows the Responsible Government Unit (RGU) to analyze more than one future state scenarios, as opposed to a single, well-defined development project
 - The Environmental Quality Board (EQB) Rules require that AUARs study two or more scenarios; one of them must be the adopted Comprehensive Plan
- What's the role of the RGU in an AUAR?

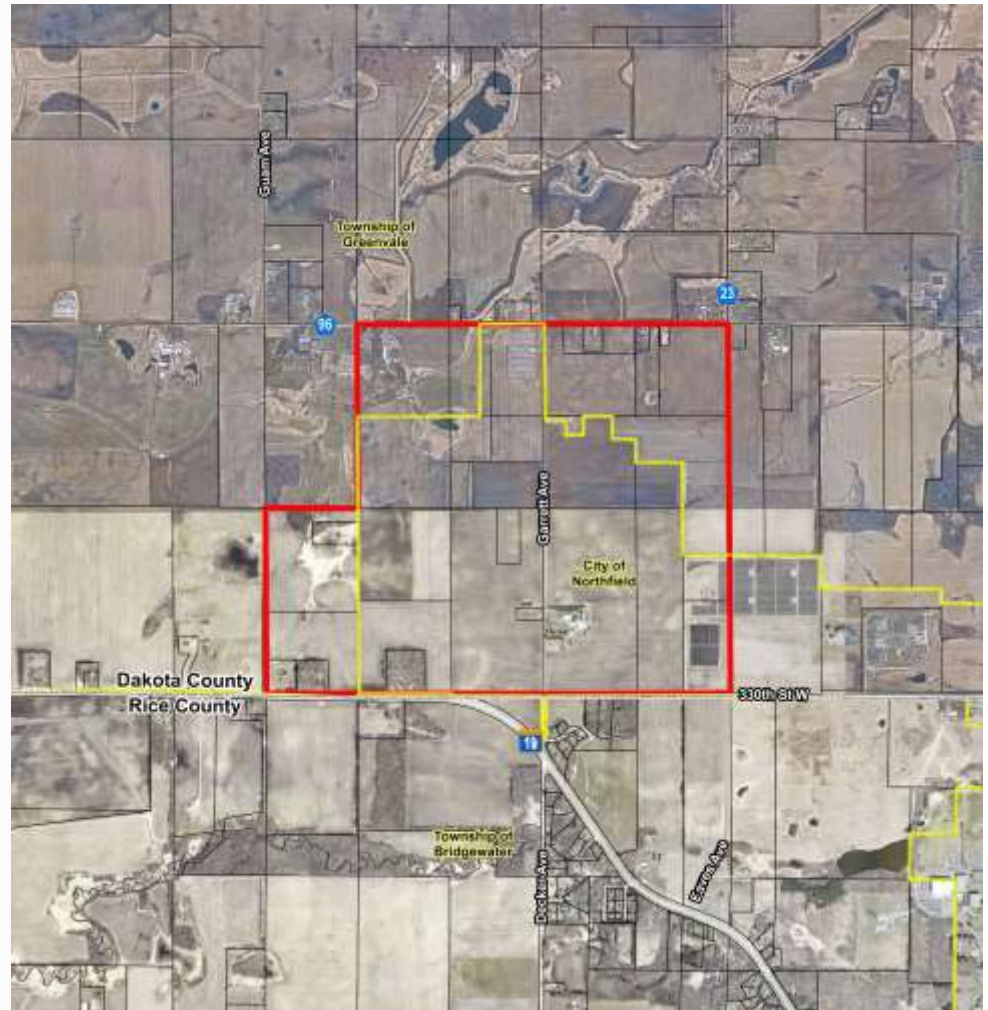


AUAR as a Planning Tool

- Starts with a vision to improve communities and develop land responsibly
- Designed to analyze development over time
- Studies alternatives, which adds flexibility
- As with any good plan, evaluates cumulative impacts
- It's all about the facts – supports funding and financing by eliminating uncertainty and risk

Establishing the AUAR Boundary

- The EQB is clear in stating that whether a development is within a defined AUAR boundary or not, any potential environmental effects from “**related actions**”, or projects that result in “**cumulative impacts**” must be considered.
- Recommended to err on the side of inclusion and logically defined geographic areas, as opposed to patch work quilts of parcels



Considerations When Selecting Development Scenarios

- With an adopted AUAR & Mitigation Plan, no EAWs or EISs are necessary for projects within the AUAR boundary if it is consistent with one of the scenarios that has been studied and the project's ***environmental effects are less than or equal to*** those studied in the AUAR and covered by the Mitigation Plan
- Recommendation: identify the most intensive development characteristics. Adopting a Mitigation Plan for the, “worst-case scenario,” provides insurance that lesser impact development projects can be managed effectively.

Northfield Development Scenarios

- Both scenarios may be consistent with the adopted Land Use Plan, the difference being the nature of the industrial development
- What land use related factors could differentiate between development scenarios?
- **This is a major set of decisions and the next big decisions after setting the AUAR boundary**



Figure 9-5: AUAR Development Scenario A



Figure 9-6: AUAR Development Scenario B

Scoping EAW

- Purpose: provides reviewing agencies and public opportunity to identify issues and raise questions that will shape the AUAR and Mitigation Plan
- Process:
 - 1) Set project boundary & define scenarios
 - 2) Begin scoping process
 - 3) Draft Scoping EAW
 - 4) Revise
 - 5) Distribute final Scoping EAW
 - 6) 30-day comment period

July 2013 revision

ENVIRONMENTAL ASSESSMENT WORKSHEET

This Environmental Assessment Worksheet (EAW) form and EAW Guidelines are available at the Environmental Quality Board's website at: <http://www.eqb.state.mn.us/Eaw/EawGuidelines/Documents/eqb.htm>. The EAW form provides information about a project that may have the potential for significant environmental effects. The EAW Guidelines provide additional detail and resources for completing the EAW form. Cumulative potential effects can either be addressed under each applicable EAW item, or can be addressed collectively under EAW Item 10. Note to reviewers: Comments must be submitted to the EQB during the 30-day comment period following notice of the EAW in the EQB Monitor. Comments should address the accuracy and completeness of information, potential impacts that warrant further investigation and the need for an EIS.

1. Project title: Minnesota Valley State Trail, Worthington Segment

2. Proposer: MN Dept. of Natural Resources, Parks and Trails Division
Contact person: Rebecca Feltz
Title: Acquisition and Development Specialist
Address: 1200 Warsaw Road
City, State, ZIP: St. Paul, MN 55108
Phone: 651-259-5021
Email: Rebecca.Feltz@state.mn.us

3. RGU: MN Dept. of Natural Resources
Contact person: Lisa Gray
Title: EAW Project Manager
Address: 500 Lafayette Road
City, State, ZIP: St. Paul, MN 55155
Phone: 651-259-5420
Fax: 651-296-1811
Email: environmental@dnr.state.mn.us

4. Reason for EAW Preparation: (check one)
Required:
☐ EIS Scoping
☒ Mandatory EAW
Discretionary:
☐ Closure pending
☐ BCU discussion
☐ Project not initiated

If EAW or EIS is mandatory give EQB rule category subject number(s) and number(s):
Mn Rule 6510.0300, Subp. 27 C. Recreational Trails

5. Project Location:
County: [Washington](#)
City/Township: [Worthington](#)
PLS Location (1/4, 1/2, Section, Township, Range):

Purpose: To identify and anticipate infrastructure, improvements and other mitigation measures to avoid adverse environmental impacts.



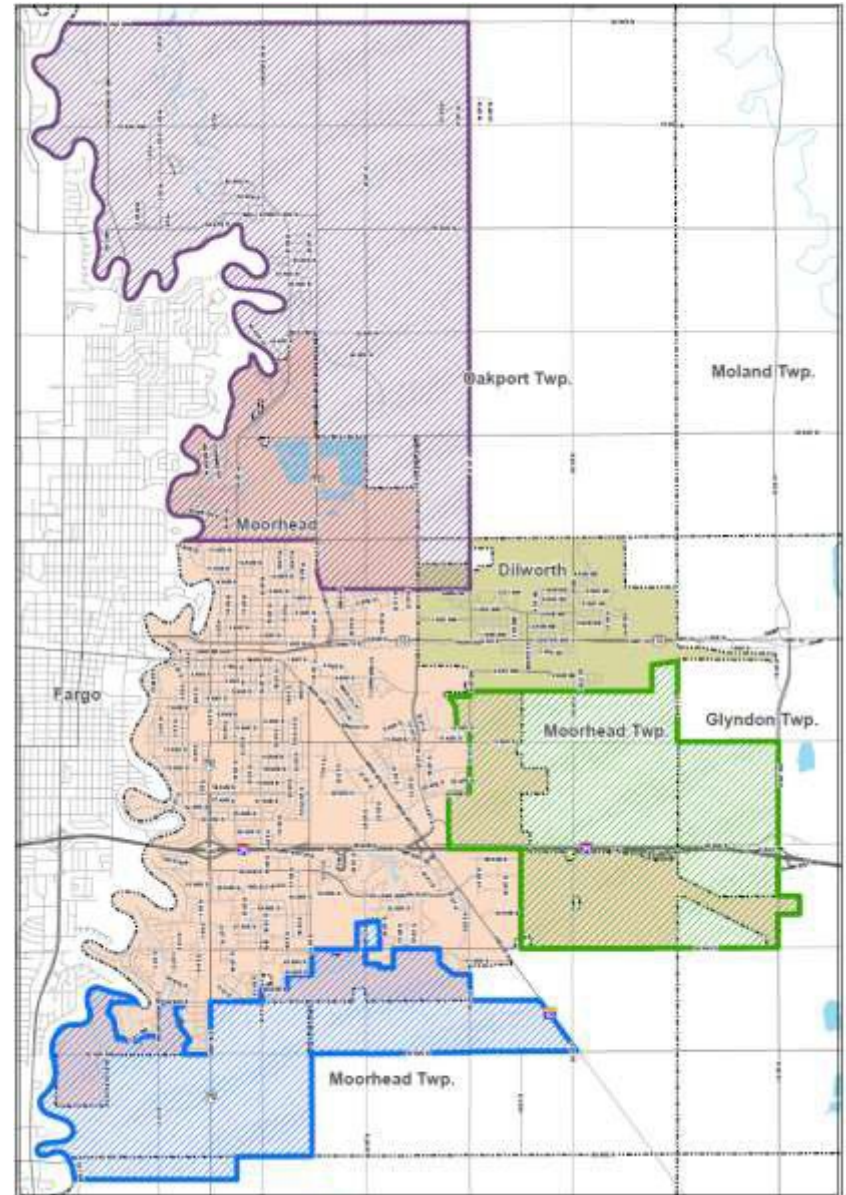
MITIGATION PLAN

Benefits as an economic development tool:

- Analyzes issues and needs in a larger area. Once adopted it has the same weight and authority as a local ordinance
- Expedited review process eliminates need for EAW or EIS for individual projects.
- Gives detailed guidance to local decision-makers. Allows planning and budgeting to ensure that needed infrastructure and improvements are in place when needed to support development investment
- Mitigation Plan eliminates public and private uncertainty.
- Still has regulatory teeth.
- **Gets updated every five years**, until build out

Lessons for RGUs

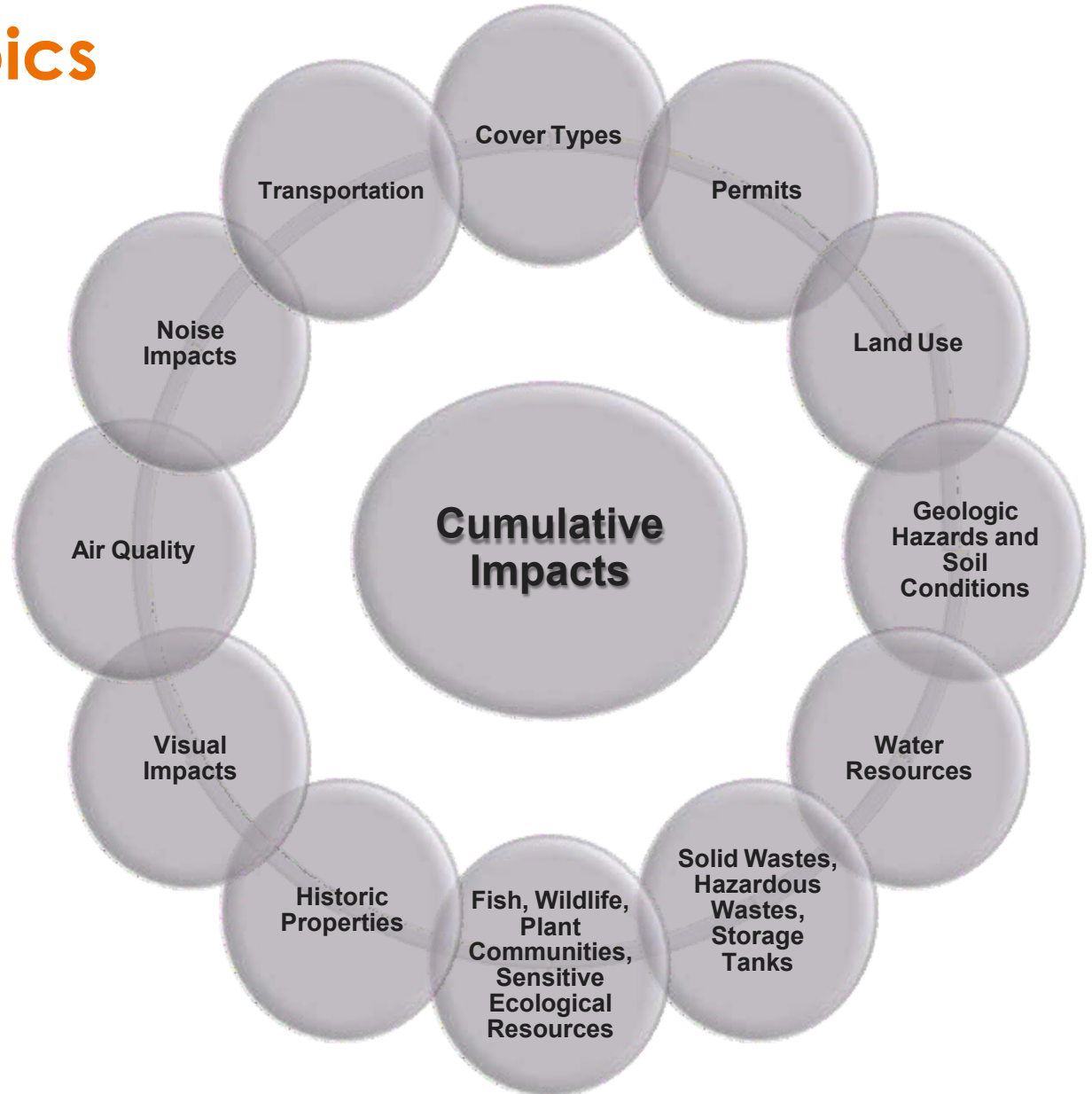
- Early agency feedback is hugely important and beneficial.
- Great tool for proactive planning versus taking reactive view in EIS.
- This fact-based process can neutralize controversy.
- Having an approved AUAR and mitigation plan in place can reduce the entitlement and permitting schedule for major projects by a year or more



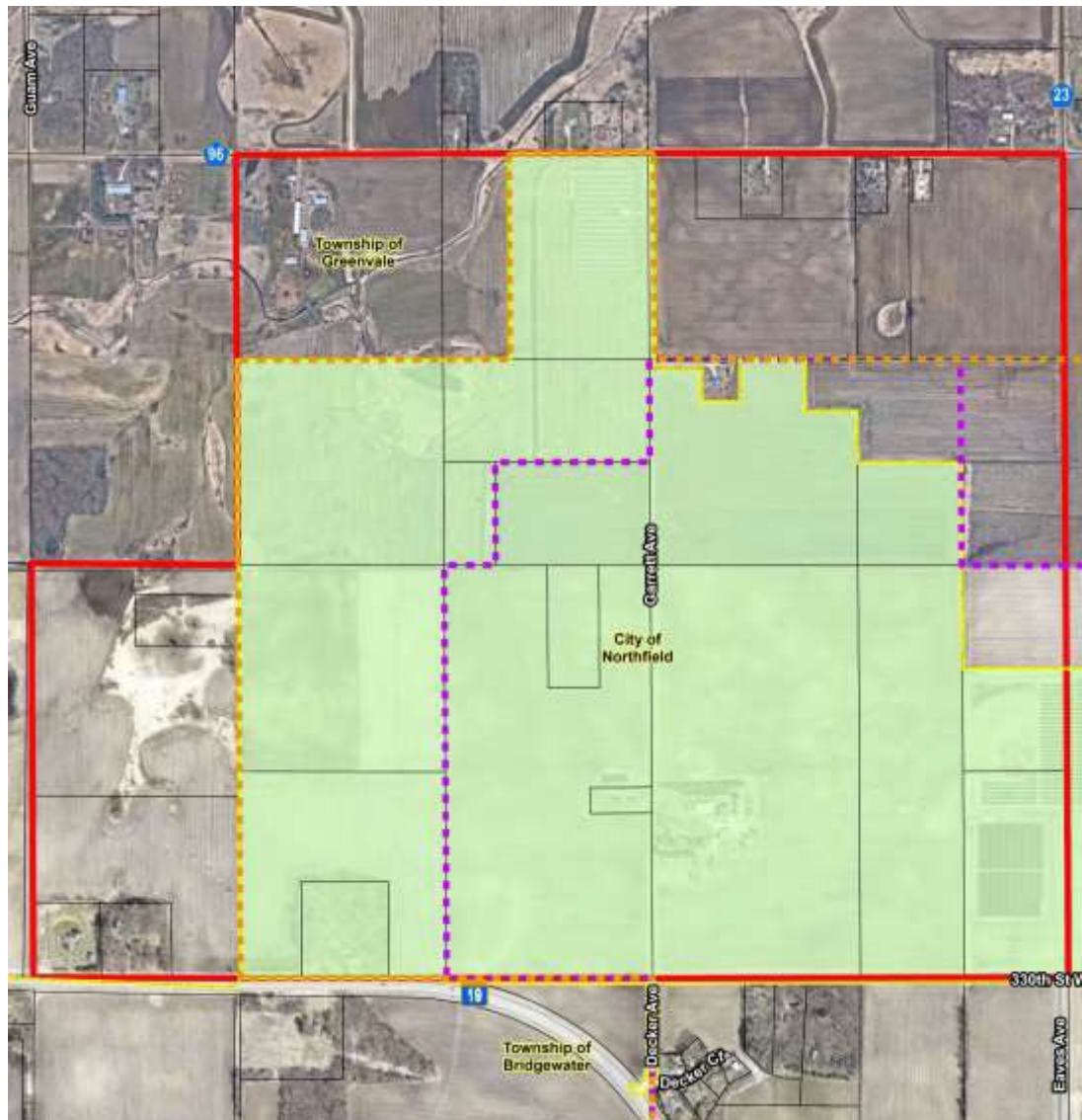
Moorhead Growth Area AUARs

Required Topics

QUESTION
↓
RESPONSE



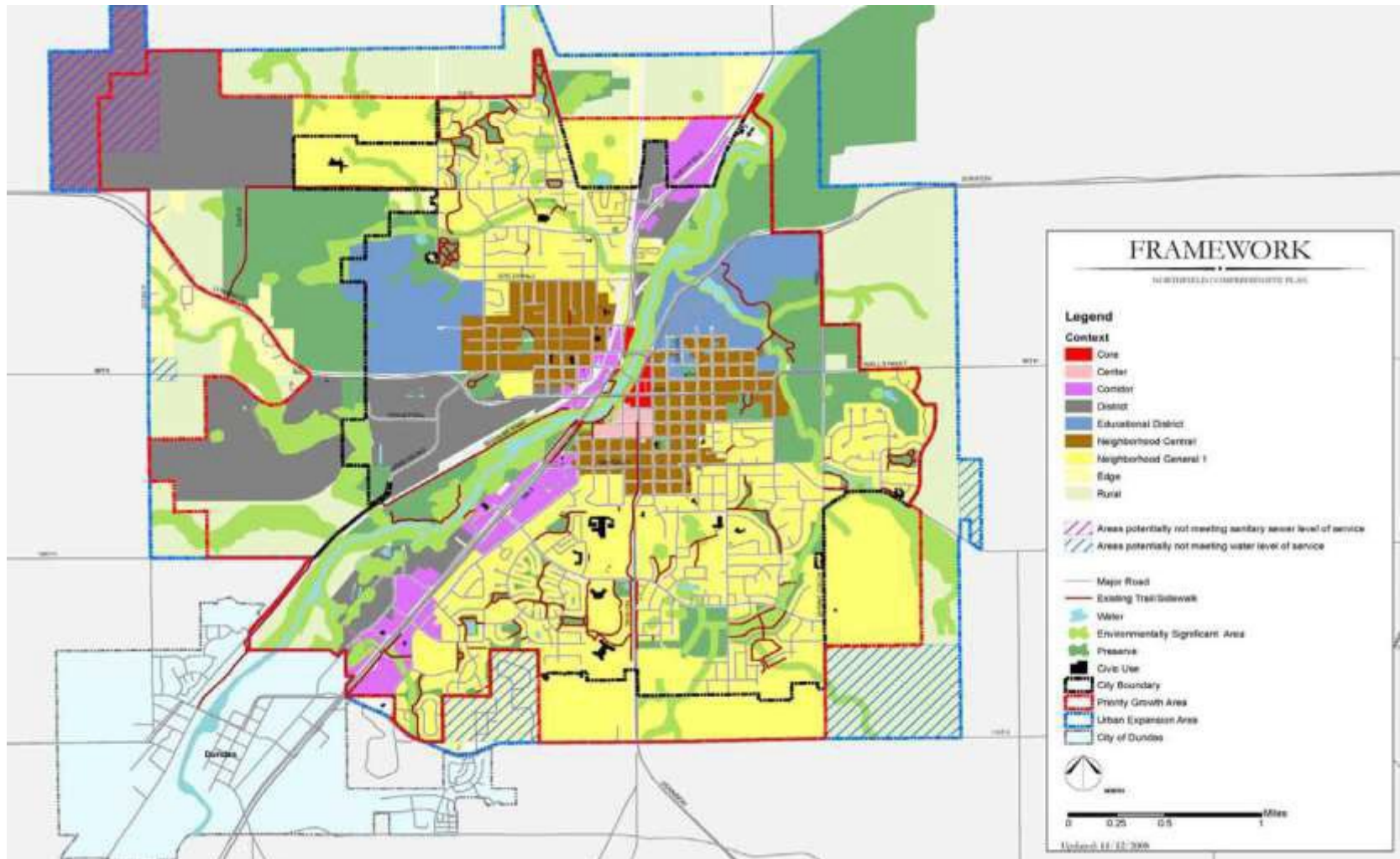
Zoning





Legend

- Municipal Boundary
- AUAR Boundary
- Parcels
- Urban Expansion Area
- Priority Growth Area
- Northfield Zoning
- A-S: Agricultural

Northfield Framework Plan



District: Districts are generally special use areas found within the city. The districts within Northfield are typically of a single use; in this case composed of large business or industrial structures. Districts are located along collectors and arterial roadways.

Proposed Functional Class
 Proposed Major Collector
 Proposed Minor Arterial

Federal Functional Class in Minnesota

- Principal Arterial - Other
- Minor Arterial
- Major Collector
- Local
- AUAR Boundary

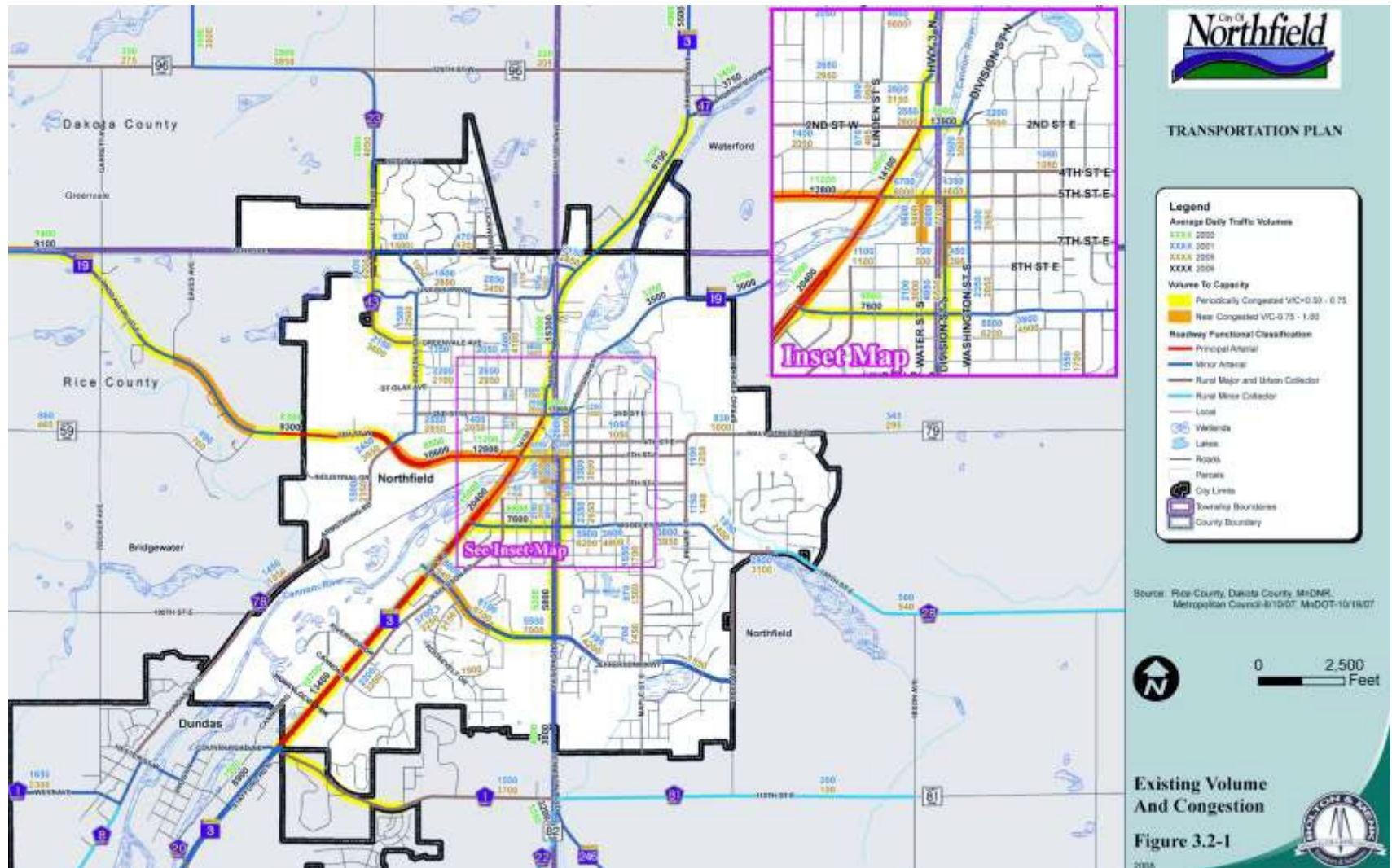
Annual Average Daily Traffic (AADT) Volumes



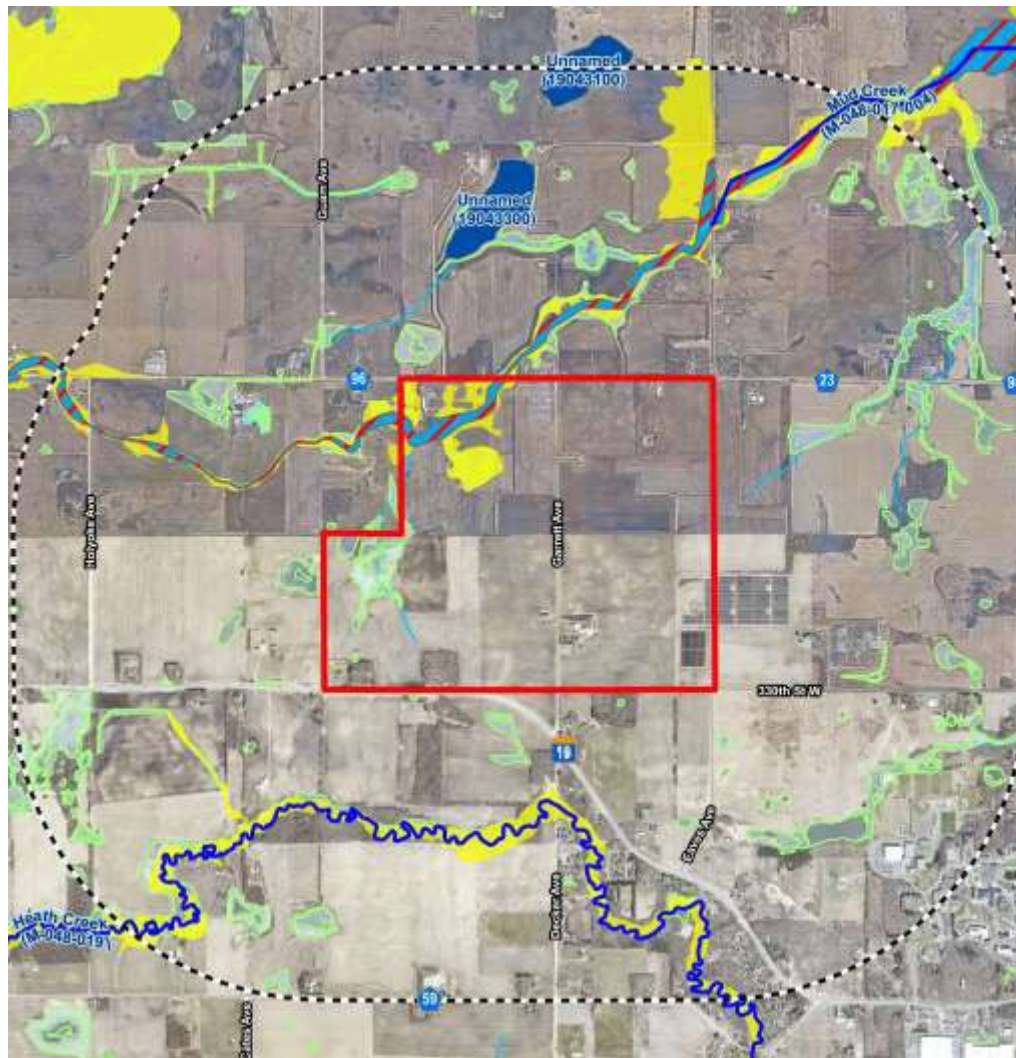
Legend

- Annual Average Daily Traffic Segments
- AUAR Boundary

Existing Volume and Congestion



Water Resources



Legend

- AUAR Boundary
- 1 Mile Buffer
- National Wetlands Inventory Feature
- Minnesota Public Waters Delineations**
 - Public Watercourses**
 - Public Water Watercourse
 - Public Ditch/Altered Natural Watercourse
 - Public Waters Basins
- National Hydrography Dataset**
 - Stream
 - Waterbody
- FEMA Floodplain Data**
 - Floodway
 - 100 Year Floodplain