

Northfield Downtown

DEVELOPMENT CORPORATION

August 8, 2017

Mid-year progress report from the NDDC on fulfilling its 2017 contract with the City of Northfield

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Develop and implement a strategy for CONSULTANT's organizational sustainability as well as to potentially serve as a funding option for other priority projects in the downtown.

Special Services District

Minnesota Statute 428A authorizes municipalities to establish Special Service Districts and impose annual service charges on eligible properties within the District. One of the services that is usually supported by this funding is the management of the district on behalf of the district stakeholders and in collaboration with the municipality. The NDDC researched this concept with an eye toward becoming more financially self-sustaining over time.

The following Minnesota communities have Special Services Districts (SSDs) or Business Improvement Districts (BIDs). Some are no longer active.

1. Crookston (1 district)
2. Duluth (1 district)
3. Little Falls (1 district)
4. Mankato (1 district)
5. Minneapolis (18 districts)
6. New Ulm (1 district)
7. Rochester (1 district)
8. St. Louis Park (6 districts)
9. White Bear Lake (1 district)

They have been used for a variety of purposes, including: storefront improvements, flood control, waterfront expansion, parking, lighting, banners, snow removal, landscaping, security, marketing of special events, waste removal and general upkeep.

Benefits of SSDs

- Provide stable, multi-year funding
- Services are measurable
- Demonstrate property-owner support
- Equitable because all who benefit pay for the services. Assessments are proportionate to the benefit received and tax-exempt properties participate because they receive services/benefits.
- Encourages financial participation from property owners who benefit from the NDDC but do not make voluntary financial contributions.

Special Services District Cost/Benefit model

Example Building Value	\$300,000	\$600,000	\$900,000
SSD Assessment at .003	\$900	\$1800	\$2700
Clean and Safe Snow Removal, Sidewalk Cleaning	\$450	\$900	\$1350
Marketing/Events Downtown ads, Events	\$180	\$360	\$540
Physical Improvements Banners, Benches	\$180	\$360	\$540
District Services Garbage Collection	\$90	\$180	\$270
Total Benefits per building	\$900	\$1800	\$2700

Direction of the SSD

The SSD would be managed by the NDDC Board of Directors. With the help of the NDDC Executive Director and/or other staff, they will manage collecting the funds, providing services and implementing the district improvements.

Sources of Financing

There are three models of SSD financing. The Private model collects fees from its members. The Public model sets up a special assessment district. The Private-Public model is a combination of these sources.

Financing Assessment

Financing can be assessed by (1) percentage of real estate value, (2) percentage of sales volume, or (3) square footage.

Potential Boundaries

The SSD could cover either the entire C1 district or just the historic district. This SSD concept could be used by other advisory boards in areas outside of Downtown Northfield. The NDDC will continue to conduct more research in cooperation with the City in the coming months to determine the feasibility of a Special Services District in Downtown Northfield.

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Complete a review and report on consideration of pursuing Main Street America Community Designation status and present findings to the CITY.

Main Street Program

Staff attended the MN Main Street Basic Training Workshop on April 11th. It was a fantastic opportunity to meet other directors of main street programs from around the state. Here is a summary of her findings:

1. **Current MN Main Street cities**
 - a. Faribault, MN--Affiliate
 - b. Owatonna, MN--Affiliate
 - c. Red Wing, MN--Affiliate
 - d. New Ulm, MN--Affiliate
 - e. Shakopee, MN--Accredited
 - f. Winona, MN— Accredited
 - g. Willmar, MN--Affiliate

2. **Most Minnesota Main Street cities receive City funds to run their programs**
 - a. 5 out of 7 programs currently receive City funds with the average amount being \$23,400/year.
3. **Most share offices/partner with their Chamber/CVB**
 - a. 5 out of 7 programs are housed within a Chamber/CVB. One nonprofit has an office in the same building as the Chamber and partners often.
4. **Main Street programs deliver measurable outcomes to their cities**
 - a. In 2016, for every \$1 spent to run a local Main Street program, \$35.33 was reinvested in the community (in 2015, it was \$24.71)
 - b. From 2010 to 2016, local designated Main Street communities recorded \$48.4 million in public and private financial reinvestment; 115 net new businesses; 543 net new jobs; 426 property improvements.
 - c. Main Street program advantages
 - i. The Main Street Approach is so successful because it provides local community-based organizations with a road map for how to set strategies for their downtowns that will comprehensively improve the overall economy and quality of life.
 - ii. The Main Street Approach helps communities get started with revitalization, and grows with them over time. It isn't a quick fix or "beginner" program, but evolves to suit a community's needs.
 - iii. Main Street empowers communities to set their own goals, leverage local leadership, and achieve results that are meaningful to them.
 - iv. Main Street builds leaders from within communities. It relies on the expertise and commitment from community members, and helps activate local citizens in their own community transformation.
 - v. Here is a video with more info: <https://vimeo.com/213724565>

To become a designated Accredited Main Street program we would need to reach 40 hours FTE status, but all hours spent on downtown related programs by the NDDC, Chamber, the CVB and the City could count toward the total. In the meantime, we can apply to become a designated Affiliate Main Street program (most programs are Affiliates working towards becoming Accredited) by sharing hours among different organizations, but the program couldn't be designated as a Nationally Accredited program unless all of the hours come from one organization.

The NDDC would pay a \$2000 fee but we would then get access to \$7000 in technology funds which can be used for things like: branding, website updates, hosting a social media seminar for businesses, doing a market study, hiring grant writers, etc. Designation would give us access to valuable networking, idea exchange, conferences, seminars, access to statistics and available grants, help writing workplans, sample budgets, etc.

Some main street programs collaborate with their Chamber through a "Friends of Downtown" program. Downtown businesses who donate to the NDDC would get a listing on our website. Chamber members would be included for free, businesses who don't want to be Chamber members would just donate to the NDDC be a Friend of Downtown. Different donation rates would get different perks, i.e. event sponsorships, additional social media marketing, etc.

The NDDC is a vital partner, working in collaboration with the City, the Chamber and the CVB. Together we each play important but unique roles in ensuring a bright future for the Northfield area. As a designated Main Street City, the NDDC can continue to fulfill our mission of sustaining a vibrant downtown where people want to live, work and play.

Develop strong collaborative relationships with City staff, Northfield Economic Development Authority (EDA), and the Northfield Area Chamber of Commerce & Tourism on projects and programs which relate to the support and improvement of downtown Northfield.

Collaboration with Partner Organizations

In researching other cities, we have seen a common partnership model comprised of the City, the Chamber, the CVB and the Main Street organization. While each organization has a slightly different mission, together we can strengthen our community.

The Chamber serves its members across the entire Northfield area, the CVB increases tourism in that same area, the NDDC sustains a vibrant downtown, and the City supports these partners' work and vice versa. It has been powerful to participate together in the recent ribbon cutting and groundbreaking ceremonies of the Fairfield Inn and Suites Hotel, Content Bookstore and Imminent Brewing. We are also discussing the option of sharing a common office space to better align our resources and reduce duplication of efforts. The Executive Committee of the NDDC and the Executive Board of the Chamber are planning to meet in August to further this conversation.

The NDDC has been increasing collaboration with partners community-wide in the first six months of 2017 including: the City, the Chamber, the CVB, the NEC, the Northfield Historical Society, the Northfield Arts Guild, the Heritage Preservation Commission, the Arts & Culture Commission, the Roundtable, Northfield Promise, Northfield Shares, the Northfield Rotary Club, WINGs and the NDDC's Vision into Action Taskforce.

Communication with Businesses

- Staff has communicated in person, by phone and via email with more than 75 downtown businesses. As we seek feedback regarding needs and concerns of the district, recurring themes have included more parking and flood control for riverfront properties. We started a closed Facebook group called the NDDC Neighborhood where downtown stakeholders can communicate with one another and the NDDC about downtown-related issues.
- Staff attends monthly "Be Local Buy Local" committee meetings at the Chamber. We participate in quarterly meetings with the Economic Development Partners: the City, the Chamber, the CVB and the NEC to coordinate our efforts.
- We continue to promote Downtown Northfield and its businesses through Facebook, Instagram and our blog/website. We nominated Downtown Northfield in the "America's Main Street" contest and reached the quarterfinals (top 25 in the nation), yielding nationwide publicity for our city.
- We are communicating with the City about available space in the district. We are assisting the City with issues like: individuals seeking information on available space, sidewalk sign use reminders for businesses and event inquiries.
- Our Vision into Action Taskforce presented their ideas to Council. They continue to meet monthly and will begin taking action as they work on the use of parklets and start First Fridays Art Walks this Fall downtown.
- We hosted the first Downtown Northfield Taste Tour food crawl on June 15th and sold over 3000 tickets in two hours. Eleven downtown restaurants shared 70% of the profits and 30% went to the NDDC.
- All Carleton and St. Olaf freshmen will receive a map and listing of downtown businesses as a part of our annual Welcome Students Campaign, in partnership with the Northfield News.

Communicate with businesses, both in person and through other means, to assemble a useful picture of the needs and concerns of the business district in general, and address specific issues of recruitment and retention.

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Maintain and expand the database of downtown property (including storefronts, offices, and apartments) and businesses.

Downtown Property Database

The NDDC Board feels that maintaining this database may not be the best use of part-time staff and could result in not fulfilling other tasks on the organization's work plan. However, the NDDC is in conversation with the other economic development partners about how to accomplish this necessary activity. The Chamber website usually has a listing of properties for sale in the area.

River Corridor Expansion

We look forward to supporting the City's Strategic Plan in this area in the future. There is currently a marked canoe/kayak takeout south of the 5th Street bridge. To offer a true canoe portage opportunity, the NDDC Vision into Action Task Force recommends creating a canoe launch north of the 2nd Street bridge. This is a feature that was part of the original plan for the Crossing site, but it has never been developed. Extending the Riverwalk path on the west side of the river north of the 2nd Street bridge and putting a canoe/kayak launch at the north terminus of the path would further strengthen the recreational appeals of the CVB and bring additional economic benefits to the City.

Another recommendation of the NDDC Vision into Action Task Force is to place directional signage on both trail approaches to the Peggy Prowe bridge indicating the direction and distance to Downtown Northfield. They recommend placing another sign at the trail divide on the east end of the trail underpass under HWY 3 for the same purpose. When the bicycle and pedestrian trail is completed on the east side of the Cannon River between Northfield and Dundas in the very near future, it will make economic sense to let visitors know where they can rest and spend some money in downtown establishments.

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Assist the CITY in pursuing the opportunity of expanding and revitalizing the Cannon River corridor in the downtown area.

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Assist the CITY economic development staff efforts as requested related to interest in development, redevelopment, and other business opportunity in the downtown.

The NDDC has been quietly working for the past couple of years to recruit restaurant operators to expand their business or relocate their business to Downtown Northfield. We have a project on the horizon that could come to fruition within the next year.

The NDDC has recently been asked by the City to assist in reminding downtown businesses about the allowed uses of sidewalk signs in the downtown district. We have created an illustrated flyer with illustrated dos and don'ts and will be personally delivering these flyers to appropriate businesses.

The NDDC Vision into Action Task Force has proposed deploying a concept in the use of public spaces in urban areas. Commonly referred to as a "parklet", this concept involves temporarily repurposing an on-street parking space to an accessible public park or "parklet". The infrastructure would be designed with portability in mind so that it could easily be removed for street cleaning or snow removal.

Citizen Requests

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Assist CITY, as requested, in providing downtown stakeholder input related to citizen requests related to items such as parking restrictions, pedestrian safety enhancements, and conversion of parking to temporary park/patio, bicycle rack locations and others that may arise. Identify private funds and volunteer opportunities to achieve these ideas.