

**OFFICIAL PROCEEDINGS OF THE ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE**

SPECIAL SESSION

SHAKOPEE, MINNESOTA

March 7, 2013

1. Roll Call

Present: Love, Barber, Youngs, Wetherille, Morris, McGuire & Thorman

Staff Present: Mark McNeill, City Administrator and Julie A. Linnihan, Finance Director/City Clerk;

2. Approval of the Agenda

Youngs/Wetherille moved to approve the agenda. Motion carried 7-0

3. Introduction of New Members

New EDAC members Ryan Thorman and Kari McGuire introduced themselves.

4. Compass Data Center Regarding Financial Assistance

Mark McNeill, City Administrator, presented the EDAC with the Data Center Business Assistance Application.

Compass Data Systems has identified 11.32 acres of property in the Dean Lakes area, upon which five condominium housing data centers would be constructed. Of the approximately 500,000 square foot parcel, about 110,000 square feet would be covered by buildings.

The number of full-time permanent employees to be created within two years of the issuance of certificate of occupancy would be 40 with an average wage of \$68,000 per employee.

The total amount of subsidy requested is approximately \$2.1 million. Total investment would be approximately \$67 million, the majority of which is from non-property taxable property such as computer equipment. It is estimated by Scott County that the amount of taxable property would be \$11-13 million. This figure is important for determining tax abatement or tax increment.

Compass has requested assistance in the form of tax abatement, fee waivers for trunk storm water charges, infrastructure assessments, and sewer availability charges.

Compass Data Center has requested 50% tax abatement over 10 years based on an assumption that the entire 67 million would be taxable which it's not based on estimates from Scott County.

Mr. McNeill presented the EDAC with tax abatement revenue estimates from Springsted, the City's financial advisor. Springsted's estimates are as follow:

	High EMV	Low EMV
Estimated Incremental New Building Market Value Assumption	\$13,000,000	\$11,000,000
Estimated Total City Abatement Revenue over 9 years	\$563,318	\$476,387
Estimated Total County Abatement Revenue over 9 years	\$544,346	\$460,343
Estimated Total Tax Abatement Revenue over 9 years	\$1,107,663	\$936,730

Ray Watson, a representative of Compass Data, answered questions the EDAC had with regard to the request.

After reviewing the information provided and discussion, it was the consensus of the EDAC to forward a recommendation of 50% abatement for 9 years to the Economic Development Authority (EDA) in support of partial abatement, and a recommendation for the use of SAC credits.

5. Discussion of Job Creation Criteria for Incentives

Mr. McNeill asked to defer this discussion to the next meeting. The EDAC concurred.

6. TED-TAP Grant Application

Mr. McNeill said Scott County CDA is offering grant funds to each Scott County city through the Technical Assistance Planning (TAP) program. The maximum award is \$15,000 each. He noted that the grant application deadline had been extended through the end of March. The grant is to enhance economic development activities, ultimately looking for long-term job creation in Scott County.

Mr. McNeill said that Michael Leek, Community Development Coordinator, had drafted two possible grant applications. The first is a Highway 101 Marketing Study. The funding required would be \$30,000, of which \$15,000 would come from the grant, and \$15,000 from EDA funds. The second option is a Shakopee Business Start-Up Loan Fund. The total cost of the proposal is \$25,000, with \$10,000 to come from the EDA budget.

Member Love and Youngs preferred the Shakopee Business Start-Up Loan Fund and Members Wetherille, Barber and Morris preferred the Highway 101 Market Study.

Wetherille/Barber moved to recommend to the EDA to apply for the Highway 101 Market Study grant application. Motion carried 7-0.

7. 2013 Election of Officers

Mr. McNeill asked the EDAC to elect officers for 2013. The committee is asked to elect a chairperson, vice chairperson and 2nd vice chairperson.

Wetherille/Youngs moved to appoint Ryan Love as Chairperson, Paul Youngs and Vice Chairperson and Deb Barber as 2nd Vice Chairperson. Motion carried 7-0.

8. Joint Session with Planning Commission for Discussion on Signage

Ms. Klima addressed the Planning Commission and Economic Development Advisory Committee regarding this agenda item. The Chamber of Commerce Public Policy Committee (the Committee) recently conducted a review of the City's sign ordinance and provided

recommendations regarding potential revisions. The Committee's recommendations were presented to the EDAC, Planning Commission, and City Council, all of which expressed support for review of the City's regulations and possible amendments to them. City staff is requesting that the Planning Commission and EDAC provide consensus on which sections of the sign regulations to focus on first, and the possible substance of the changes. Based on the direction provided, staff will prepare draft language for consideration by the EDAC, Commission, and City Council at future meetings.

CHAMBER OF COMMERCE CONCERNS:

In its review, the Chamber of Commerce identified the following areas of concern:

1. Provide charts and illustrations in the sign code for quick reference and ease in reading;
2. Allow for master sign plans for multi-tenant and business complexes;
3. Allow for increased flexibility in promotional sign regulations;
4. Define and illustrate how sign area and height are calculated;
5. Allow for larger commercial signage along the freeway(s).

Based on staff's review of other ordinances and a working knowledge of the current regulations, staff has also prepared a list of potential revisions to the Code that could or should be considered along with those listed by the Chamber.

STAFF CONCERNS:

1. Inclusion of standards and definitions for flags;
2. Update temporary sign regulation section;
3. Provide a section regarding dynamic displays;
4. Inclusion of a section that provides specific criteria that the City must adhere to when considering a sign variance request;
5. Inclusion of language regarding gas station pump signage;
6. Allow for swap of wall signage to increase free standing signage in commercial areas;
7. Addition of garage sale sign regulations;
8. Provide language that a sign permit shall not be issued until any and all illegal signage is removed from the site;
9. Require a mechanism for sign permit identification on signage (metal tags, paint, etc);
10. Add regulations for menu board signage;
11. Add regulations for scoreboards and outfield signs;
12. Provide language that "text shall prevail over illustrations";
13. Include sight triangle language and illustration(s) on how to calculate;
14. Provide portable sign definition and illustration;
15. Include section on campaign sign regulations.

Eventually, it appears to staff, the entire sign section of the zoning ordinance should be revised, however, staff recommends that it be done in phases in order to address the Chamber's concerns

in a timely manner. Other sections of the regulations that are not of immediate concern can be addressed in subsequent revisions.

Staff is seeking consensus from the Planning Commission and EDAC regarding those sections of the sign regulations to address first, and the possible substance of the changes to those sections. After a consensus has been provided, staff will draft amended language for consideration and review by the EDAC and Planning Commission.

The EDAC has expressed an interest in being involved in the sign ordinance amendment process and the Planning Commission is charged with making a recommendation on text amendments to the City Council. In an effort to ensure that the Chamber concerns are addressed in a prompt fashion, staff would like the Commission and the EDAC to consider meeting jointly as any draft text amendments move forward. The Planning Commission is required to conduct public hearings for text amendments so it may be most efficient if the EDAC is able to join the Planning Commission on those meeting nights when public hearings are to be held.

Chair Collins asked if there were any questions or comments from both boards with regard to this item.

Robbins expressed concern that the topic was too large and frankly did not know how or where to begin. He noted that there were many different areas within the City of Shakopee and each have different concerns.

Wetherille noted that from the list of ideas from the Chamber and staff concerns, two items jumped out for him. The first is the signage issues regarding the highway overlay district and the other was the master signage plan.

Chair Collins noted that there were several different corridors (the 169/101 corridor, downtown, SouthBridge, 169/69, Highway 21).

Robbins stated that he has heard that big companies do not come to Shakopee because of the sign ordinances.

Mr. Steven Soltau, a developer that worked on the SouthBridge project, noted that it has been a concern for many years. He worked on getting big box companies such as Wal-Mart, Sam's Club and Home Depot to the area. When he first began the project, the current sign ordinances did not address big box retailers. The ordinances limit the size and elevation which makes them difficult to see from the highway. Signs help businesses out economically and he stated that he was thrilled that this ordinance was finally being addressed. He would like to see changes in the highway commercial district and pushed for more simplicity in its description.

Morris noted that he would like to see more revisions to special areas such as medical facilities and airports, as well as retail developments.

Magin stated that he knows that Shakopee has been conservative in their sign ordinance and that they will need to make revisions. However, he would not like to see Shakopee turn into a Mankato, where there are too many signs of all heights and sizes. He understands the SouthBridge area and the lack of visibility from the highway. However, due to the hill along the highway there will never be good visibility.

Collins liked the idea of a master plan for new development.

Wetherille stated that when he was researching Apple Valley, he noted that each development came before the City on a case by case basis and offered their recommendations and plans for their signs. In response, the developments were given a certain percentage more in signage.

Discussion ensued with regard to signage and multiple tenants. The boards did not want to see signs of all different sizes and heights for each tenant and it was a concern if they loosened the requirements, the City would lose control over the number of signs.

Mr. Leek advised on holding off on revising the ordinances for all corridors due to time constraints. An entire ordinance revision would take approximately two years.

Barber agreed to concentrate on Highway 169 and to try to simplify the language.

Collins inquired about the timeframe and the thoughts of the boards.

Robbins suggested some revisions be completed and implemented by December.

Collins expressed concern with information going from the Planning Commission to the EDAC to the public hearings and then City Council.

Mr. Leek advised that as information and language is developed that staff share it with both boards and that they meet again to both recommend to the City Council. He stated that staff could bring back revised language in a couple of months to both boards and to see if they are going in the right direction. He felt that they could come back with preliminary draft language in May to both boards. In July and August, staff would develop more detailed language. The public hearings would be scheduled for some time in September and October with final language to the City Council in December.

Love suggested updates and feedback via email among the boards.

Mangan suggested they meet more than once a month.

Mr. Leek advised against meeting more than once, in that staff might not have adequate time to make progress on this one item, since they have other work requirements.

Mangan suggested that they look at other communities and tweak what others have done and not start from scratch.

Mr. Leek noted that staff already has examples from surrounding communities that they will look for while revising the ordinance. He noted that staff will work on the highway overlay and master plan revisions.

Chair Love called on the EDAC to adjourn their portion of the meeting.

Wetherille/Morris moved to adjourn their portion of the March 7th Joint Meeting of the Planning Commission and Economic Development Advisory Committee. Motion was carried 7-0.

9. Adjourn to March 20, 2013 at 6:00 p.m.

The EDAC meeting adjourned at 7:55 p.m.

Mark McNeill
City Administrator

Kim Weckman
Recording Secretary