



BUSINESS RETENTION & EXPANSION PROGRAM

2012 EXECUTIVE REPORT

Prepared for:
Ramsey Economic Development Authority (EDA)
January 21, 2013

INTRODUCTION

The Ramsey Economic Development Authority (EDA) is responsible for directing business retention, expansion and recruitment efforts in the City of Ramsey. In 2012, the EDA identified business retention as a priority for the City of Ramsey, and subsequently directed Staff to develop and implement a business retention and expansion program.

The purpose of this report is to **(1)** outline the 2012 Ramsey business retention and expansion program structure **(2)** present and review program results and findings.

In summary, the 2012 Ramsey business retention and expansion program was very successful. A number of strong relationships were established (or repaired), various business concerns were addressed and a number of prospect expansion leads were identified.

PROGRAM STRUCTURE

Why does the City have a retention and expansion program?

Businesses pay a large portion of local property taxes, provide full time permanent jobs (with benefits), create wealth, support local nonprofit organizations and raise the standard of living for Ramsey residents. Therefore, businesses play a crucial role in the success of the City of Ramsey. A properly executed business retention and expansion program is a critical component of retaining and expanding businesses located in Ramsey.

Outcomes of a successful businesses retention and expansion program include: establishing strong relationships, developing an open line of communication, expressing appreciation and most importantly creating trust. A business that trusts and respects the City of Ramsey is significantly more likely to remain located (or consider expansion) in Ramsey than a business that does not have trust or respect for the City.

What is a business retention and expansion program?

A business retention and expansion program is a systematic method of developing and maintaining relationships with businesses located in the City of Ramsey. Once every two years, the City of Ramsey visits with representatives of local businesses; known as a business visit. Typically, visits included 1-2 Staff members and 1-3 business representatives. Business representatives are provided with an opportunity to express concerns or questions they have regarding the City, Staff conducts an informal interview (see Appendix A), both parties review newsworthy items and most visits end with a tour of a businesses' operations.

Commonly, business visits result in:

- An improved relationship between the City and a particular business
- A list of inquiries and suggestions a business may have regarding the City
- The City attaining valuable business data
- Identification of prospect expansion leads

RESULTS & FINDINGS

What businesses were included in the 2012 business retention and expansion program?

Up until 2012, the City of Ramsey had not implemented a regular systematic business retention and expansion program. Therefore, a number of businesses visited, were either being contacted for the first time or have not been visited for a number of years. Staff identified 55 target businesses to launch this program. Businesses were selected based on location, size and industry.

From October 2012 to January 2013, Staff conducted 24 business visits; see below. The remaining 31 businesses will be targeted for the next round of business visits (2013).

2012 BUSINESS VISITS CONDUCTED		
DATE	COMPANY	CONTACT
10/1/2012	RJM and General Paper	Jim Lundeen
11/1/2012	Minnesota Tool and Die Works	Keith Sherer
11/1/2012	American Print & Digital	Jason Farrell
11/7/2012	Summit Aerospace Supply, Inc.	Michelle Koch
11/7/2012	RV World	Darren Mann
11/15/2012	Anderson Dahlen	Tom Knoll
11/15/2012	Panther Precision Manufacturing	Tom Olson
11/15/2012	Allina Medical Clinic	Becky Forsell
11/15/2012	Class C Components	Bruce Gorecki
11/19/2012	Command Tooling Systems	Julie Pawlowski
11/21/2012	Ace Solid Waste	Mike Berkopec
11/21/2012	B&F Fastener	Loren O'Brien
11/21/2012	Matrix Tool & Design INC	Dennis Young
11/26/2012	GMI, INC	Richard Powell
11/27/2012	Comfort Suites of Ramsey	Scott Davy
11/29/2012	Bolton & Menk, INC.	Kevin Bittner
12/13/2012	Heritage Millwork	Pat Menth
1/2/2013	MMI Precision Manufacturing	Shawn Martin
1/9/2013	Superior Striping	Tom Frederick
1/10/2013	Life Fitness	Frank Nogle
1/10/2013	Arrow Components Corp	Larry DeForrest
1/10/2013	Lake Region RV	Dale Borstad
1/11/2013	Diamond Graphics	Don Patterson
1/15/2013	Depot Star	Mark Korin

What are the results?

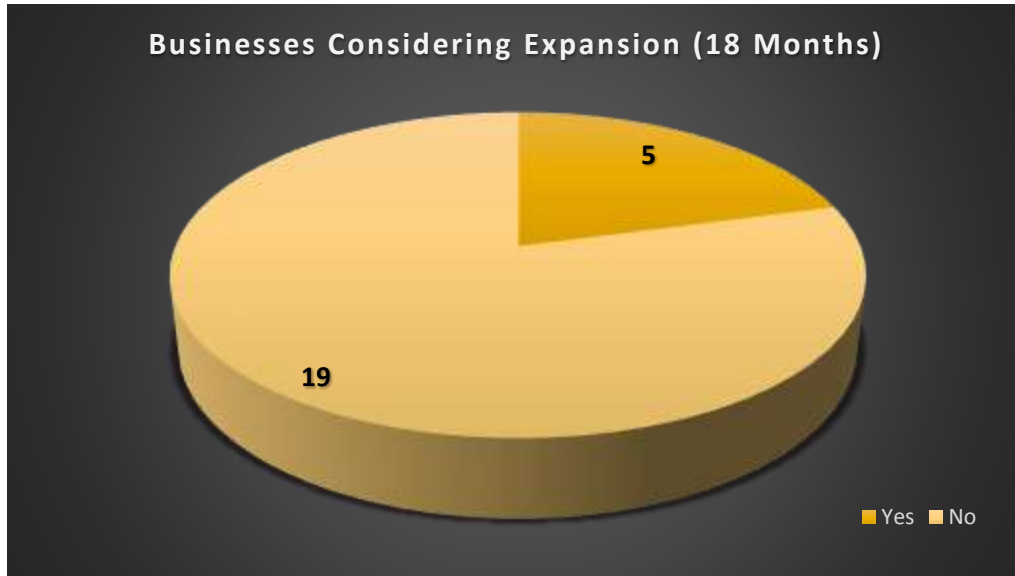
A number findings and leads resulted from the 2012 business retention and expansion program. Please note information has been presented in aggregate. A number of businesses have asked to remain anonymous; therefore specific information from specific businesses remains confidential. Additionally, not all 24 businesses answered every question proposed by Staff. Therefore, sample sizes are different for each findings category. Findings categories are listed below:

Findings: Categories

1. Considering expansion
2. Number of employees
3. Facility
 - Size
 - Ownership
4. Sales
5. Outlook
6. Ramsey
 - When did you locate
 - Where did you relocate from
 - Why locate in Ramsey
7. Markets served
8. Ramsey weaknesses, suggestions for improvement

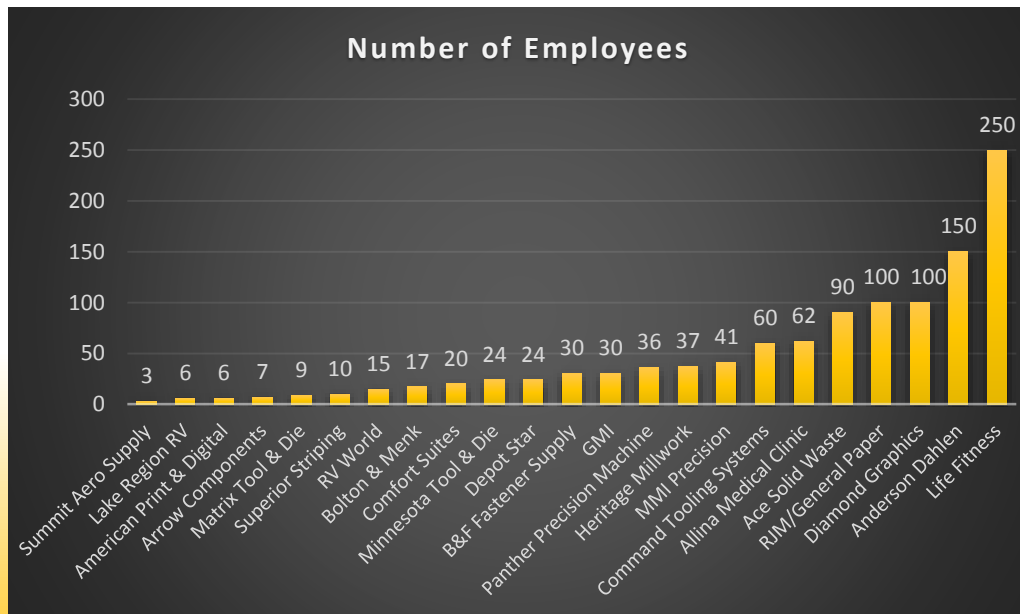
1. BUSINESSES CONSIDERING EXPANSION

Businesses that have expressed interested in expanding in the next 18 months are identified below. Staff is working with prospect businesses today. As updates are available, they will be provided through the EDA.



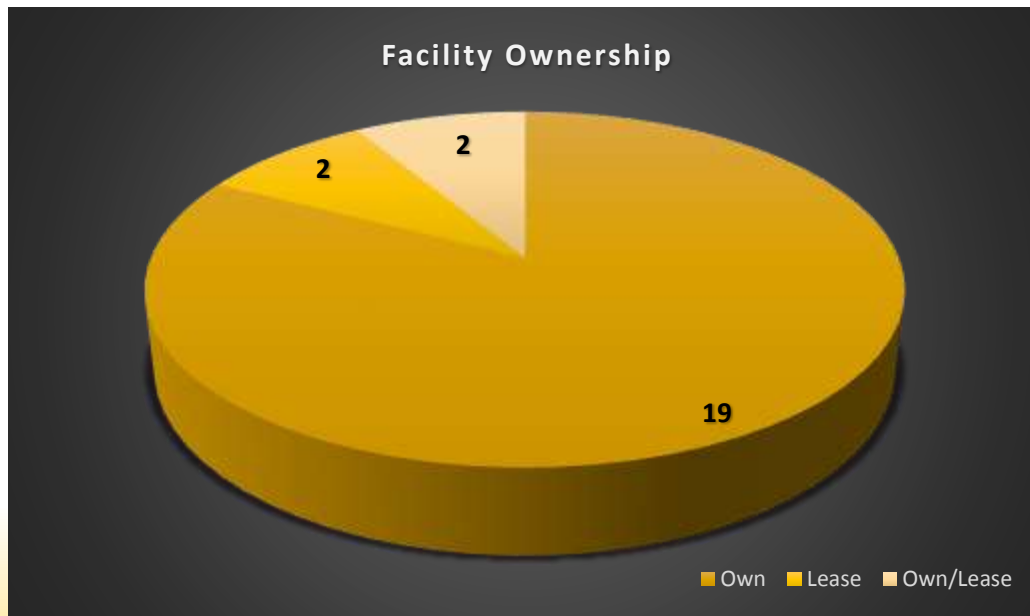
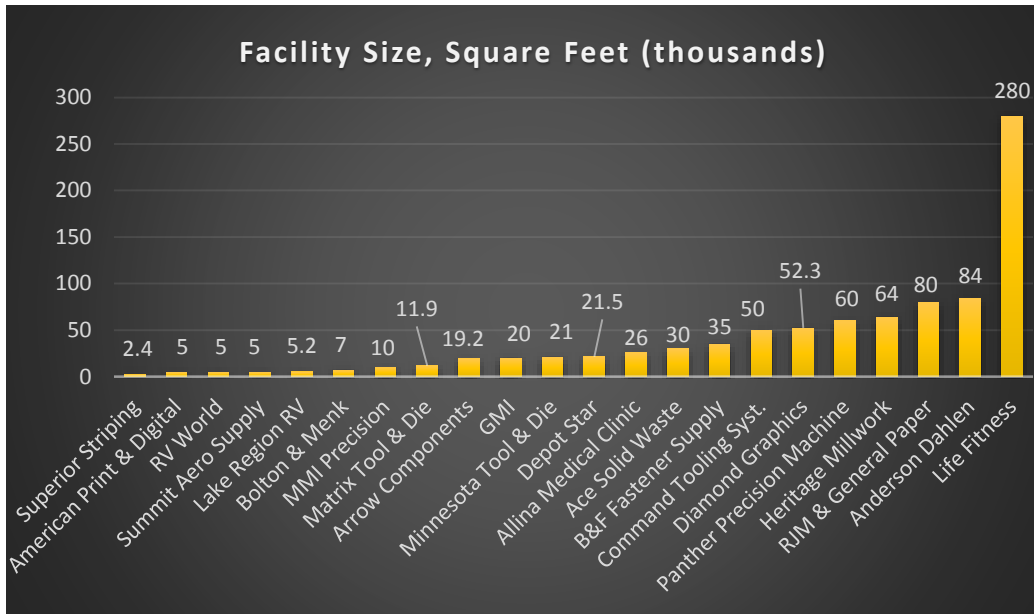
2. NUMBER OF EMPLOYEES

Each business was asked how many people they employ. Without drilling down into detail, below are the results (full time). NOTE: a number of employers expressed they have seasonal employees. In aggregate, businesses employ about 150 seasonal employees.



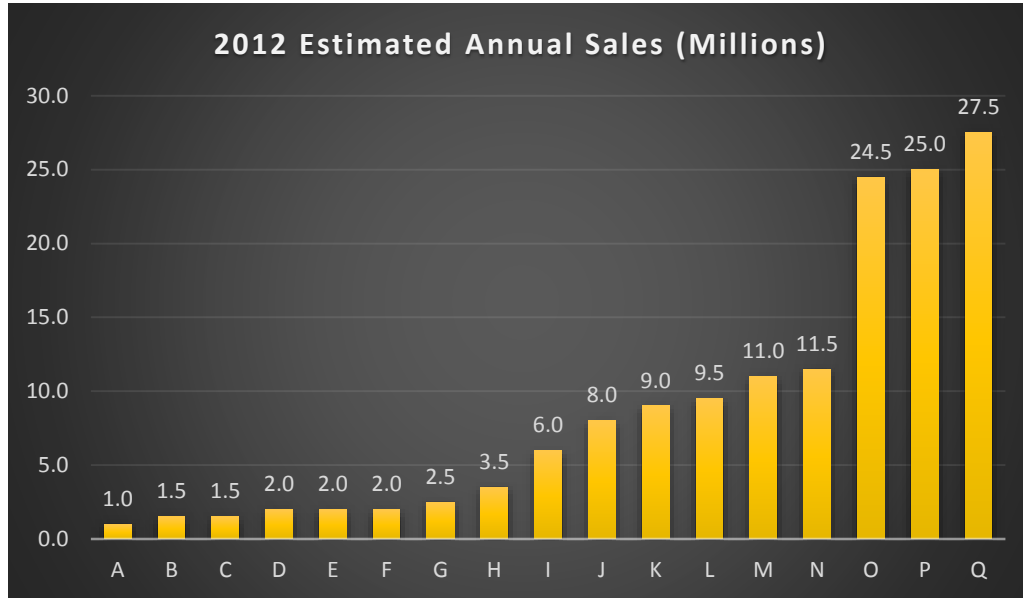
3. FACILITY SIZE & OWNERSHIP

Businesses reported the size of their facility (square feet); and whether they owned or leased their facility.



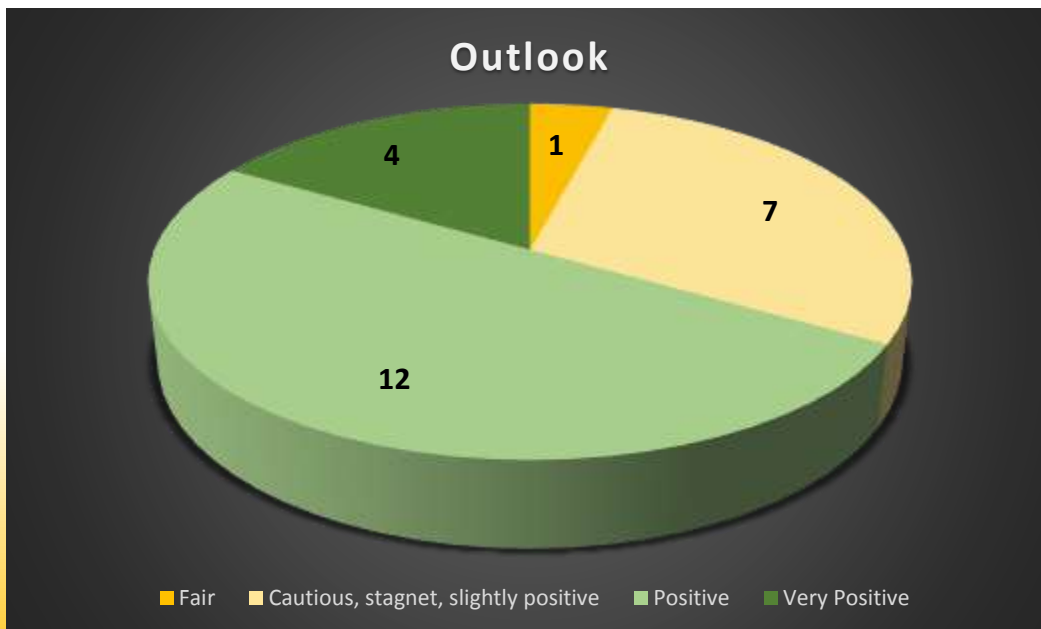
4. ESTIMATED ANNUAL SALES, 2012 GROSS

Businesses reported their 2012 annual gross sales. Listed below are the results. NOTE: this information is confidential to many businesses. Therefore, some businesses did not respond and a number of businesses asked to remain anonymous.



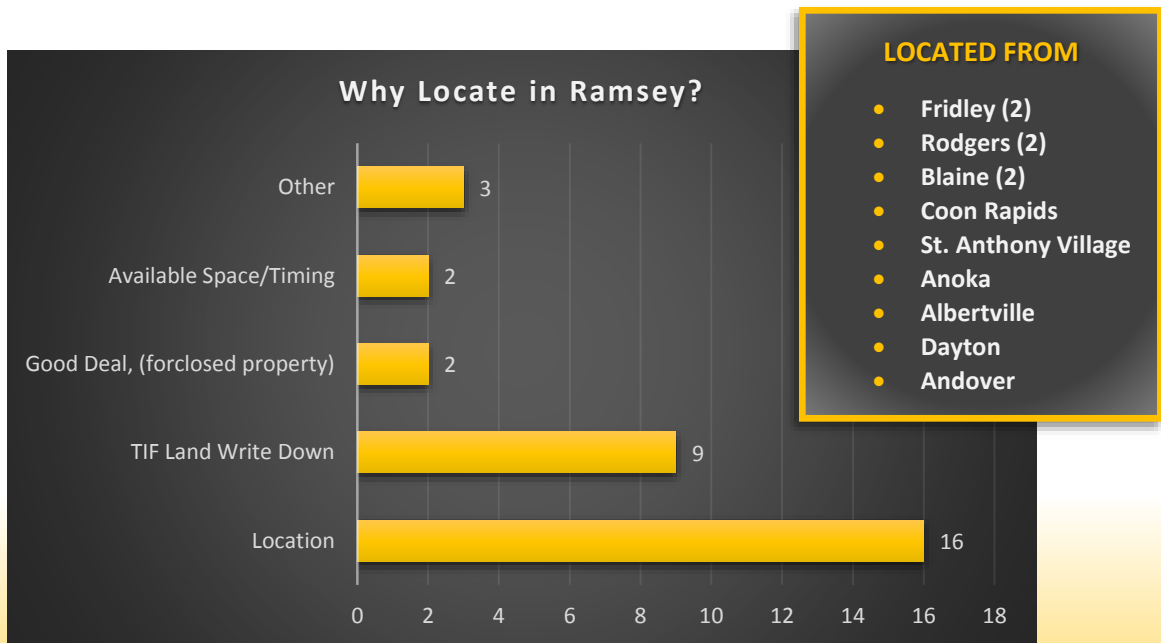
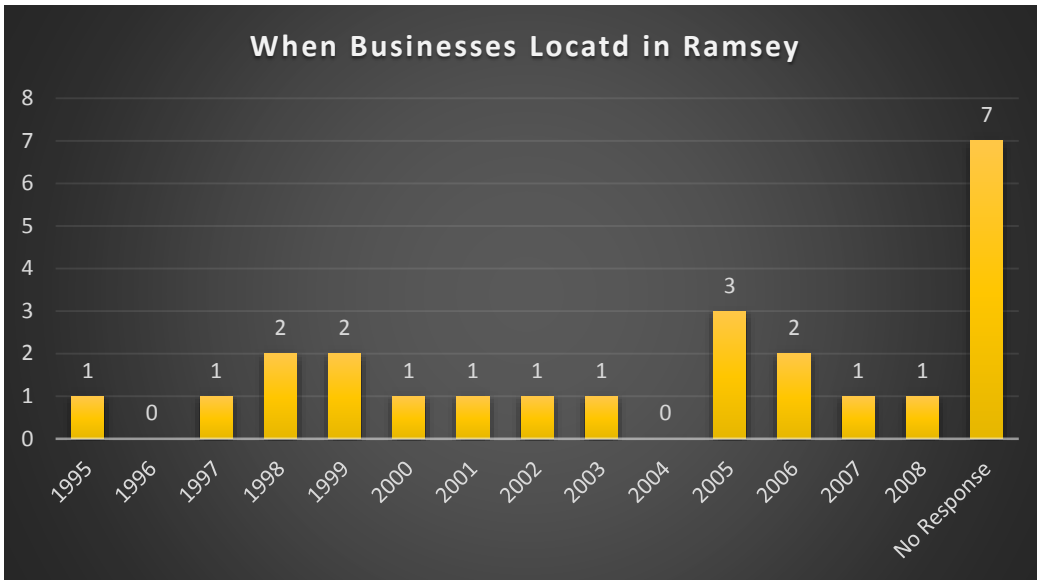
5. OUTLOOK

Businesses were asked what their outlook was; meaning, how do they anticipate the next 2-3 years to go, as far as sales growth. Below are the results.



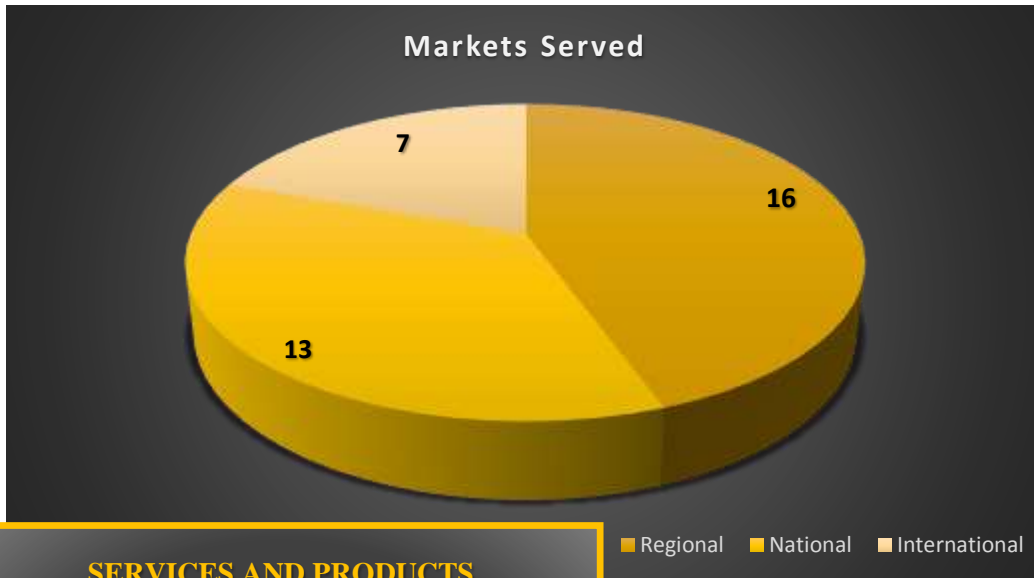
6. RAMSEY: WHEN, WHERE FROM, WHY?

Businesses were asked: when did they locate in Ramsey, where did they locate from and why are they located in the City of Ramsey. Results are listed below.



7. MARKETS SERVED

Businesses were asked what markets they served. Regional is considered Minnesota plus the eastern Dakotas, western Wisconsin and northern Iowa. National is U.S. only. International is anywhere outside the U.S. Many businesses serve more than one market (more answers than sample size). Results displayed below.

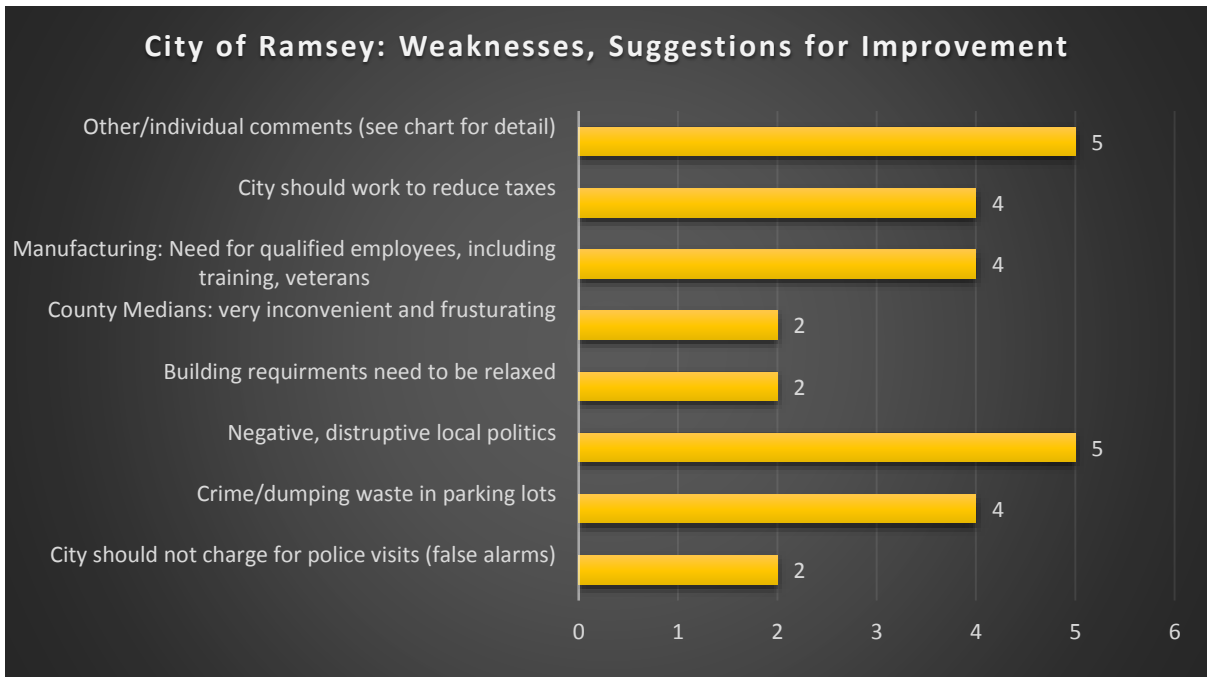


SERVICES AND PRODUCTS

- Electrical Mechanical Solutions, Repairs and Refurbishing
- Fitness Equipment Manufacturing
- RV Dealerships (2)
- Industrial Machining (5), Tooling (5), Dies (3), Cutting (5), Custom Manufacturing
- Plastic Card Printing
- Medical Services
- Printing Services
- Fastener Supply
- Aerospace and Navel Electric Supply
- Engineering and Surveying Services
- Millwork Production
- Packaging and Paper Manufacturer
- Waste Services

8. RAMSEY WEAKNESSES, SUGGESTIONS FOR IMPROVEMENT

Businesses were asked, as far as the City of Ramsey goes, what are our weaknesses and what can we do to improve (from the perspective of a business). Below is a graphical display, on the next page is detailed list. NOTE: some businesses had multiple suggestions and some did not have any: therefore, sample sizes are inconsistent.



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STAFF NOTE/SUGGESTION:

A number of Ramsey businesses are considering expansion in the coming years. At this point, the City no longer owns any parcel greater than one acre in size. The inventory of privately held available lots is very limited. Therefore, competitively responding to prospects is a challenge for Staff.

If the City wishes to retain expanding Ramsey businesses, and attract new businesses to this community, there is a need to acquire (or secure) land for economic development purposes. Until this item is addressed, the City of Ramsey will remain less competitive than surrounding Cities. Additionally, the City will eventually lose expanding businesses that no longer can fit their operations within the Ramsey.

RAMSEY WEAKNESSES/SUGGESTED IMPROVEMENTS:

Suggestions made by multiple businesses:

- Periodically businesses will have false alarms, and the Ramsey Police Department will be called out. In certain situations, the City charges Businesses for said visits/false alarms. Business owners are frustrated--being they pay significant property taxes (tens of thousands). Police visits should not be charged back to a property owner. Lastly, one business owner believes the City should call the contact provided to the City for business registration and communicate there was a visit/alarm/etc. (2)
- A number of businesses are frustrated with the negative local politics in Ramsey; said issues create mistrust, second guessing of City policies and embarrassment for businesses. (5)
- Keeping the local tax levy low is a major priority to Ramsey businesses, as their industries are very competitive. Businesses hope this is a priority to the City Council. (4)
- Large County medians are a major inconvenience and frustration for employers and employees. Giving directions is difficult, access to nearby food and retail options is difficult. The City should be cognizant of boulevards' negative impacts. (2)
- A lack in supply exists for qualified employees in the City's manufacturing sector. Some companies are interested in learning how to recruit locally. Additionally, a couple businesses have indicated they are interested in hiring veterans. (4)
- Commonly, people dump waste and furniture in Ramsey Businesses' parking lots (without permission). Additionally, crime (theft) is common in parking lots; especially behind buildings. A number of businesses have requested more patrols. Issues are most common in the summer. (4)
- Businesses are interested in the use of metal materials for construction of buildings in Ramsey. One business has requested the use of a metal pitched roof. One business believes the City's tree/planting requirements are too ridged and don't account for "real world" scenarios. The City should be more flexible in calculating tree requirements. (2)

Suggestions made by one business:

- One business has successfully used the program known as "Economic Gardening" and strongly suggests the City consider offering said service to Ramsey businesses.
- The City's sign regulations are too strict in the COR. The City should allow additional signage than the code provides today.
- The City should consider improving their business expo. It is not professional enough, the traffic is too low and they should not allow merchant vendors to attend.
- The City should consider redevelopment of the old HealthQuest property as a biotech incubator.

APPENDIX A

2012 BUSINESS SURVEY



HISTORY/BACKGROUND/PRODUCTS/SERVICES
[Origination, ownership structure, products/services, etc.]

NUMBER OF EMPLOYEES
[F.T.E., changes/trends]

SALES
[Past year/projected, changes/trends]

FACILITY
[size, own/lease]

MARKETS
[Where do you serve and where to you buy from]

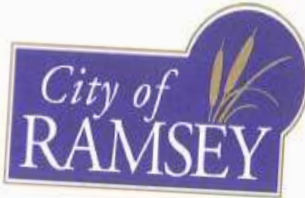
OUTLOOK
[Where do you see you company heading in the coming years]

COMPETITIVE ADVANTAGES & CHALLENGES

WHY RAMSEY
[Why is your business located in Ramsey—strengths]

RAMSEY WEAKNESSES
[What can we do better to serve our business communi]

FOLLOW UP
[Questions, requests or concerns about the City in rel]



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October 1, 2012

Mr. John Dowe
Dowe Enterprises, INC.
1234 56th Street North
Ramsey, MN 55303

Mr. Dowe:

The City of Ramsey would like to set up a time to visit to your business.

As you may know, the City of Ramsey periodically visits local business. The purpose of these meetings is to 'catch up' and see how your business is doing, develop and maintain a line of communication and to see if you have any concerns or questions regarding the City of Ramsey.

Typically, we set up meetings on the second and fourth Thursday of each month. Meetings last between 30 minutes and one hour. Meetings are open ended, depending on what you would like to cover. Additionally, we have a few questions we would like to ask regarding your business.

In the coming days I will be contacting you to set up a time. If you have any questions or comments in the meantime I would be glad to help.

Best regards,

Patrick J. Brama
Management Analyst, City of Ramsey

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