

## **12. ECONOMIC DEVELOPMENT**

### ***A. Historical Economic Development in Ramsey***

In the settlement days of Ramsey, the principal economy was trading. Settlers took advantage of major transportation routes to set up trading posts where goods were traded with members of the Winnebago, Sioux and Chippewa Indian tribes. Some settlers that came to the area took up farming; however, poor soil conditions prevented farming from becoming a strong part of the economy. In late the 1800s and early 1900s, the major economic growth of the area was focused in the nearby City of Anoka, where the Rum River provided a source of power for the milling industry. The City of Anoka's downtown soon emerged as a center for jobs, business and entertainment and eventually became the Anoka County seat.

It was not until the 1950s and 1960s that Ramsey began to see an interest in commercial and industrial development. As the early development of trading posts occurred along a major transportation route, so has recent development. Highway 10 is a major route connecting the Twin Cities to northern Minnesota and has seen a scattering of commercial and industrial developments occur over several years. Some new construction has taken place while other sites simply have converted farmhouses and farm buildings into businesses.

Industrial park development has taken place in many phases over the last 30 years. In the late 1960s and early 1970s Gateway North Industrial Park Airport and Ramsey 67 Industrial Park developed north of the railroad tracks in the south central and southeastern portion of the community. This early development pattern essentially defined the general location for future industrial development, which now makes up the bulk of economic activity in the community. These parks saw development of some heavy industrial uses such as a concrete and masonry plant and heavy construction companies. Many of these businesses remain today and in some cases represent gross inefficiency of urban land use. A more unique development that occurred was a business incubator, which has assisted the growth and expansion of numerous start-up businesses in Ramsey and subsequently sparked a need to provide industrial land for these companies to grow and expand within the City. Gateway North Industrial Park was created through redevelopment of the airport site, which was decommissioned in the early 1990s.

In 1994 and 1995 the City began the development of Ramsey Business Park 95 by acquiring roughly 85 acres for industrial development. Around this same time a major utility company, The Anoka Electric Cooperative (now named Connexus Energy), began development of the AEC Energy Park. The AEC Energy Park is roughly 135 acres and is home to AEC's corporate headquarters. Both of these parks have rapidly filled up and the few remaining lots are under consideration by several companies and expected to be developed by the end of 1998.

A strong industrial market made much of this development possible. As vacancy rates in the metropolitan area were extremely low in the early 1990s, many companies looked to build new facilities rather than pay increased rent rates to renew leases. During this time, the entire Metropolitan area saw similar growth in the industrial market. Other contributing elements to the success of Ramsey's industrial growth include its location along a major transportation corridor between St. Cloud and Minneapolis/St. Paul (including convenient rail access), the availability of a highly trained labor force, the location of Anoka-Hennepin Technical College nearby for employee training programs and the ability of the City to provide financial incentives to prospective businesses.

Because of the reasons cited above, it is anticipated that industrial development will continue to be of high demand in Ramsey, provided land can be made available. As employment numbers are expected to increase sharply over the life of this plan it is important to ensure adequate commercial and retail services are available to serve the basic needs of this employment base. The future land use plan shows a mixed-use site located within the heart of Places to Work. Small-scale retail, general services, restaurants, civic green space and a transit element may be included within a mixed-use concept, all of which provide the employment base with much needed ancillary services and amenities.

A significant piece to the success of the economic development in the City of Ramsey was the creation of the Economic Development Authority and the Economic Development Commission in 1993. State enabling legislation in 1987 gave municipalities the ability to establish a separate public body with its own rules and taxing authority to promote and facilitate economic development. The City of Ramsey has recently consolidated its EDC and EDA into a single entity, the Ramsey Economic Development Authority (EDA).

Major tasks of the EDA include:

- Recommending goals and policies for housing, economic development and redevelopment.
- Implementing housing redevelopment projects and economic development/redevelopment projects.
- Financing programs for first time homebuyers, housing rehab or start up businesses.

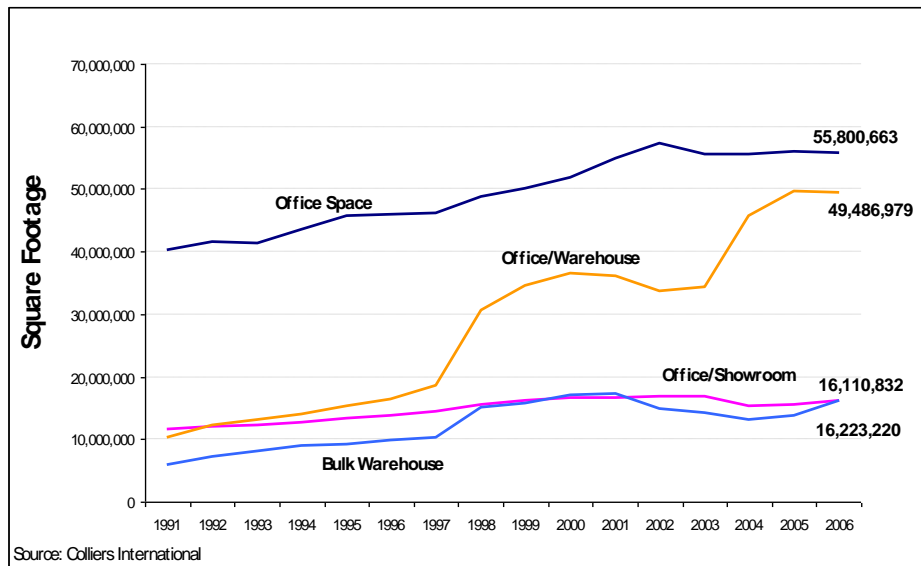
### ***B. Economic Snapshot of the Twin Cities, Anoka County, and Ramsey***

This portion of the Comprehensive Plan presents a brief overview of key indicators about the economy of the Twin Cities and Anoka County. With numerous sites that have strategic access to Highway 10, the profile of Ramsey will increase among the commercial/industrial development community, though the timing and scope of development hinges on the regional economic picture at the time individual sites are built-out.

### 1. Twin Cities Office and Industrial Space Absorption (Multi-Tenant Space) 1991-2006

Figure 12-1 shows that the Twin Cities Metro Area has absorbed nearly 70 million square feet of office and industrial space<sup>1</sup> during the past 15 years. This translates to an annual average of about 4.6 million square feet, which is annual growth rate of 4.7 percent.

**Figure 12-1 – Occupied Multi-tenant Office and Industrial Space, Twin Cities Metro Area**



Office-warehouse space, which has been historically indicative of the manufacturing sector, grew by nearly 40 million occupied square feet between 1991 and 2006 (10.5% annually), followed by office space, which grew by 16 million occupied square feet (2.2% annually). The overall strong growth in office-warehouse space with its intermittent peaks and valleys is more reflective of a changing office market than growth in the manufacturing sector. As the most accessible sites become cost prohibitive for many businesses with office workers, office-warehouse properties in traditionally industrial locations have become increasingly popular.

Overall, the strong historical expansion in multi-tenant office and industrial space in the Twin Cities suggests that Ramsey can likely absorb a variety of space types, assuming that the economy continues to expand. The mix of building types will depend on the particular parts of the economy that are expanding at the

<sup>1</sup> Multi-tenant industrial space descriptions per Colliers International: office-warehouse - buildings with at least 25,000 square feet, 10% -20% finished office space and 16-20 foot clear ceiling heights; office-showroom - buildings of at least 25,000 square feet, near freeways with good visibility, 30%+ finished office space and 12-16 foot clear ceiling heights; bulk warehouse - buildings of 50,000 square feet or more, constructed after WWI, with no more than 10% finished office space and 20-foot or greater clear ceiling heights.

time individual sites are being developed (e.g. if growth in the healthcare sector is strong, medical office demand will be strong).

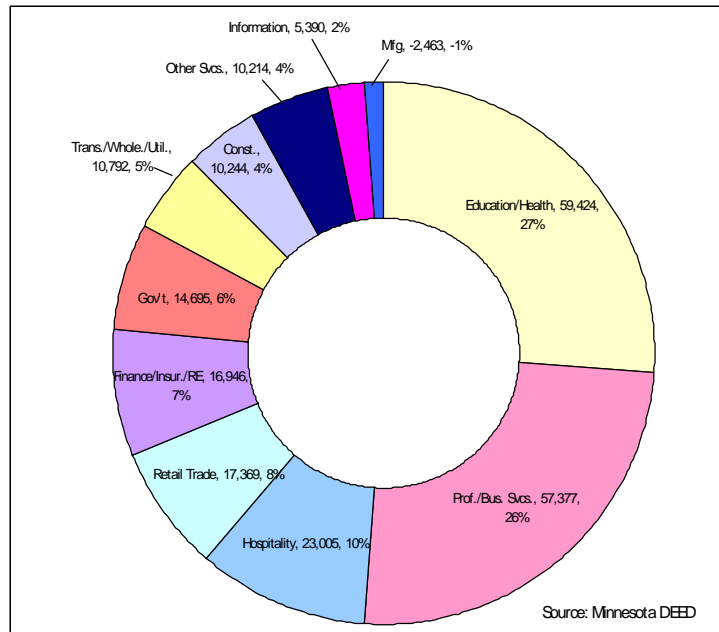
## 2. Twin Cities Employment Growth by Sector 2004-2014

Figure 12-2 presents predictions from the Minnesota Department of Employment and Economic Development (DEED) about the growth of the Twin Cities economy by industrial sector. The chart shows very strong expansion in several service sectors. In particular, 63 percent of all new jobs over 10 years will be education/health services, professional/business services, or hospitality. Other important growth sectors include retail trade (8% of new jobs), finance/insurance/real estate (6%), and government (7%). These projections indicate that commercial development in the Twin Cities region in the coming decades will likely focus on several service sectors because they will be the major drivers of employment growth.

## 3. Anoka County Office and Industrial Space Absorption (Multi-Tenant Space) 1998-2006

**Figure 12-2 – Projected Employment Growth by Sector, 7-County Twin Cities Region, 2004-2014**

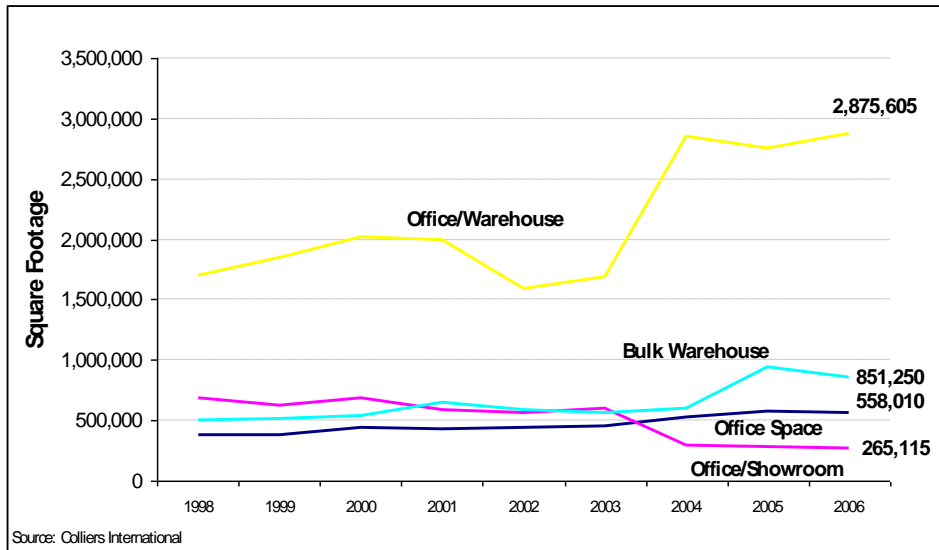
Absorption of commercial and industrial space has been slow over the last seven years in Anoka County. Figure 12-3 shows that the amount of space absorbed has been relatively flat for each property type with the exception of office/warehouse space, which has seen a nearly 60 percent



increase in the amount of occupied space. Compared to the remainder of the metro area, however, the amount of office space in Anoka County is minimal.

Another important point that the chart displays is how much office/warehouse space dominates the market in Anoka County. Even if one were to add together office, office/showroom, and bulk warehouse space, it would not add up to office/warehouse space.

**Figure 12-3 – Occupied Office and Industrial Space, Anoka County**

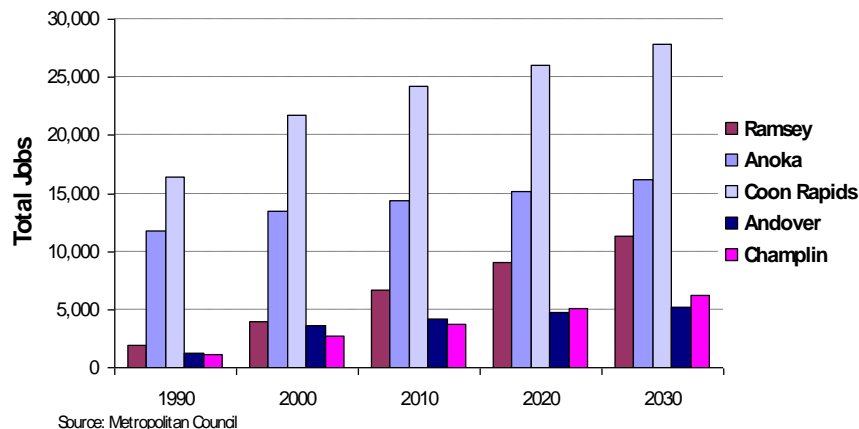


#### 4. North Metro Projected Employment Growth

Figure 12-4 shows projected employment for Ramsey and adjacent communities through 2030. The data comes from the Metropolitan Council and shows employment for the cities listed collectively growing from about 32,000 jobs in 1990 to 67,000 jobs by 2030 with majority of the growth occurring in Ramsey and Coon Rapids.

The communities listed currently account for roughly three percent of all jobs in the 7-County Twin Cities Metro Area. Their share of projected job growth through 2030 is expected to remain about three percent of all jobs.

**Figure 12-4 – Projected Job Growth, 1990-2030**



Based on the projections in Figure 12-4, Ramsey will become an important employment center for the northern half of the metropolitan area. However, it will be important to continue to track employment growth since redevelopment areas in Anoka and Coon Rapids, as well as the emerging district along Highway

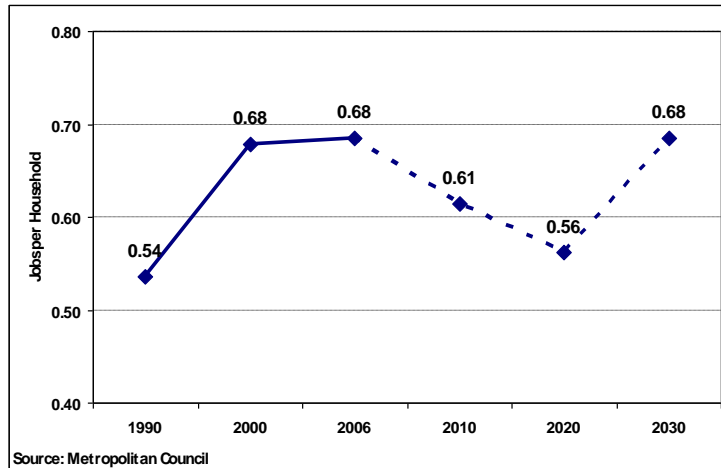
610 in Brooklyn Park, may siphon considerable demand for new commercial and industrial growth in the coming years.

Not all of the forecasted job growth will result in development of new commercial space since some industry sectors do not require traditional office or industrial space to house workers. Industry sectors that typically use office space are Professional and Business Services, FIRE (Finance, Insurance and Real Estate), and a small proportion of Education and Healthcare Services. Industrial space is typically used by employees in the Manufacturing, Wholesale Trade, and Transportation sectors.

**5. Ramsey Employees and Employers**

Table 12-1 and Figure 12-5 illustrate historical and forecasted employment figures for Ramsey. In 1990, Ramsey was a bedroom community with few local jobs to support the local population. Over the past 15 years, the Ramsey employment base has grown more rapidly than the population and there are currently approximately 1.5 households for every local job. Although Ramsey is adding jobs, several nearby communities still have a much higher concentration of jobs. A comparison with surrounding communities is contained in Table 12-2. Having a balance between employment and housing reduces the commuting demands on the regional highway system, increases resident quality of life, improves property values and leads to a more sustainable community. The Metropolitan Council is projecting that Ramsey’s economy will continue to grow through 2030, however, the employment growth is not projected to keep pace with household growth and as with many suburban communities the number of jobs per household will continue to lag the average in the region.

**Figure 12-5: Local Employment per Household**



**Table 12-1: Employment and household growth**

	1990	2000	2006	2010	2020	2030
Employment	1,941	4,008	5,225	6,700	9,100	11,300
Households	3,620	5,906	7,629	10,900	16,200	16,500
Emp/HH	0.54	0.68	0.68	0.61	0.56	0.68

Source: Metropolitan Council

**Table 12-2: Jobs Per Household in  
Nearby Communities**

	Jobs per Household
Fridley	2.18
Anoka	1.84
Spring Lake Park	1.48
Coon Rapids	1.05
Blaine	0.99
<b>Ramsey</b>	<b>0.68</b>
Ham Lake	0.67
Champlin	0.49
Andover	0.44
Dayton	0.40
Burns	0.24
Oak Grove	0.23

Source: Metropolitan Council

## 6. Travel Time

Table 12-3 identifies the mode of transportation that Ramsey residents use to access their jobs. A majority of residents travel to work alone and access employment by car, truck or van. However, nearly 10 percent of residents carpool to work, five percent work from home and less two percent took public transportation.

**Table 12-3: Means of Transportation to Work, 2000**

Means of Transportation	Number of Workers	Percent
Car, truck, or van - drove alone	8,778	83.3%
Car, truck, or van - carpoled	1,004	9.5%
Public Transportation	166	1.6%
Worked at home	514	4.9%
Walked	39	0.4%
Other means	38	0.4%
Workers age 16 and over in 2000	10,539	100.0%

Source: U.S. Census

Since many of Ramsey's residents work outside of the city, commuting time is significant, with the average worker spending over 30 minutes commuting to their place of employment. Extremely long commutes are all too common due to the poor highway access to the Minneapolis and St. Paul downtown areas. Table 12-4 demonstrates the travel time to work for workers.

**Table 4-5: Commute Time, 2000**

Travel Time to Work	Number of Workers	Percent
Workers who did not work at home	10,025	100.0%
Less than 10 minutes	754	7.5%
10 to 14 minutes	1,071	10.7%
15 to 19 minutes	1,166	11.6%
20 to 24 minutes	1,377	13.7%
25 to 29 minutes	746	7.4%
30 to 34 minutes	1,451	14.5%
35 to 44 minutes	521	5.2%
45 to 59 minutes	2,211	22.1%
60 to 89 minutes	552	5.5%
90 or more minutes	176	1.8%
Mean travel time to work (minutes)	30.1	(X)
Source: U.S Census		

### 7. Major Industrial/Manufacturing Employers

There are several major employers within the community as shown in Table 12-5. The largest employer in the community is the Aveda Corporation, with 663 total employees.

**Table 12-5: Major Employers**

Business	Products/Services	Employees
Life Fitness	Other Fabricated Metal Product Manufacturing	500
Vision Ease	Optical Instrument & Lens Manufacturing	400
Connexus Energy	Electric Power Distribution	230
Anderson & Dahlen	Metalworking Machinery Manufacturing	165
ALTRON, Inc.	Electronic Computer Manufacturing	140
Sgn Zone	Sgn Manufacturing	120
RJM/General Paper Products	Converted Paper Product Manufacturing	103
ACE Solid Waste	Waste Collection	83
Command Tooling	Machine Shops	65
Wendells	Other Fabricated Metal Product Manufacturing	51
Zero Zone Refrigeration	Ventilating, Heating, & Air Conditioning	51
Airgas North Central	Other Direct Selling Establishments	50
Grosslein Beverages	Beverage Manufacturing	40
Source: Minnesota Department of Employment & Economic Development		

According to the Minnesota Department of Employment and Economic Development (DEED), there are just over 5,000 employed workers in the City of Ramsey. Table 12-6 demonstrates the number of employees per industry. The industries most heavily represented in Ramsey include manufacturing (31%), construction (13%), professional and business services (11%), utilities, transportation, and wholesale trade (10%), leisure and hospitality (9%), and retail trade (9%).



**Table 12-6: Number of Employees by Industry, 2006**

Industry	Ramsey		MSP Metro Area	
	Employees	Percent	Employees	Percent
Manufacturing	1,568	30.9%	185,177	11.5%
Construction	675	13.3%	75,503	4.7%
Professional & Business services	539	10.6%	253,990	15.8%
Utilities, Transportation, & Wholesale Trade	501	9.9%	156,439	9.7%
Leisure & Hospitality	452	8.9%	146,935	9.2%
Retail Trade	448	8.8%	169,237	10.5%
Health Care and Social Assistance	299	5.9%	197,990	12.3%
Other Services (except public administration)	234	4.6%	54,948	3.4%
Educational Services	127	2.5%	117,072	7.3%
Public Administration	104	2.1%	64,650	4.0%
Financial Activities	68	1.3%	136,889	8.5%
Information	45	0.9%	43,255	2.7%
Natural Resources and Mining	10	0.2%	3,582	0.2%
<b>Total</b>	<b>5,070</b>	<b>100%</b>	<b>1,605,667</b>	<b>100%</b>

Source: Minnesota Department of Employment and Economic Development

## 8. Workforce

The skills and training of the local workforce contributes to the local economy, influences economic development and also suggests potential demands of current residents. Table 12-7 shows the educational attainment levels in the community. Nearly two-thirds of Ramsey residents age 25 or older has a high school diploma or some college experience as their highest level of educational attainment. In contrast, less than six percent of the population has yet to attain a high school diploma, and almost one-third have attained an associates degree or even higher level of education. In general the educational achievement of Ramsey residents is very similar to the rest of Anoka County.

**Table 12-7: Educational Attainment, 2000**

Population 25 years and over	Ramsey		Anoka County	
	Number	Percent	Number	Percent
Less than 9th grade	163	1.4%	4,152	2.2%
9th to 12th grade, no diploma	509	4.5%	12,638	6.8%
High school graduate (includes equivalency)	3,192	28.3%	60,701	32.4%
Some college, no degree	3,716	33.0%	52,724	28.2%
Associate degree	1,333	11.8%	17,080	9.1%
Bachelor's degree	1,623	14.4%	29,847	16.0%
Graduate or professional degree	731	6.5%	9,980	5.3%
<b>Total</b>	<b>11,267</b>	<b>100%</b>	<b>187,122</b>	<b>100%</b>
Percent high school graduate or higher	(x)	94.0%	170,332	91.0%
Percent bachelor's degree or higher	(x)	20.9%	39,827	21.3%

Source: U.S. Census

## 9. Household Income

The following tables describe the income levels of households in Ramsey as of 2000. As shown in Table 12-8, approximately five percent of households in Ramsey make less than \$25,000 a year, 52 percent make between \$25,000 and \$75,000, and 42 percent make more than \$75,000 a year. Ramsey has a higher

concentration of middle class residents, exceeding the metro average in every income category between \$50,000 and \$99,999.

**Table 12-8: Household Income, 2000**

Income	Ramsey		MSP Metro Area	
	Households	Percentage	Households	Percentage
Less than \$10,000	70	1.2%	53,201	5.2%
\$10,000 to \$14,999	83	1.4%	42,019	4.1%
\$15,000 to \$24,999	130	2.2%	94,467	9.2%
\$25,000 to \$34,999	320	5.4%	112,968	11.1%
\$35,000 to \$49,999	770	13.0%	159,422	15.6%
\$50,000 to \$74,999	2,022	34.1%	233,671	22.9%
\$75,000 to \$99,999	1,361	23.0%	148,158	14.5%
\$100,000 to \$149,999	778	13.1%	114,712	11.2%
\$150,000 to \$199,999	196	3.3%	31,043	3.0%
\$200,000 or more	196	3.3%	32,350	3.2%
Total	5,926	100.0%	1,022,011	100.0%
Source: U.S Census				

### ***C. The Plan for Economic Development***

Future economic development should be a coordinated effort between the City Council, the Ramsey Economic Development Authority and the business community. Decisions should be guided and based upon a set of goals and policies that are community driven.

#### **1. Economic Development Goals**

The following are Economic Development goals and strategies developed as part of the Comprehensive Plan Update process:

##### **a) A diverse economic environment where a variety of businesses can grow and thrive**

###### **STRATEGIES:**

1. Foster communication between the City and the business community~
2. Explore programs and activities to attract larger employers and employers that provide high-paying jobs
3. Continue to monitor options for a community-wide technology plan to meet business technology needs (fiber-optic and/or wi-fi)
4. Promote redevelopment of underutilized parcels within industrial areas and along major transportation corridors^
5. Explore opportunities for additional city-sponsored business events
6. Enhance communication between City and business community
7. Continue business retention and subsidy programs
8. Continue partnerships with neighboring cities and local chambers of commerce

**b) New development in Ramsey Town Center**

STRATEGIES:

1. Encourage and assist with new development in Town Center
2. Explore programs and activities to improve the image of Ramsey Town Center
3. Promote Northstar Commuter Rail and commuter bus service as economic development tools

**c) A positive community image**

STRATEGIES:

1. Explore the opportunity to develop a local chamber of commerce or marketing team to market the unique qualities of Ramsey
2. Consider options for increasing or improving signage at City gateways and other strategic locations
3. Continue to pursue Revolving Acquisition Loan Fund (RALF) for the Highway 10 corridor
4. Purchase land south of the MPCA landfill for industrial park development
5. Identify, acquire and redevelop underutilized and blighted properties, especially within industrial areas and along major transportation corridors~
6. Strengthen commercial and industrial development standards in City Code
7. Maintain high standards for citywide property maintenance, including City-owned properties

***D. Economic Development Tools***

Attaining many of the City's economic development goals will require some level of funding. The following is a brief list of some of the more common tools and resources available to cities in need of project funding assistance.

**1. Tax Increment Financing (TIF)**

TIF is a tool used by cities and other development authorities to finance certain types of development/redevelopment costs. The public purposes of TIF are the redevelopment of blighted areas, construction of low and moderate-income housing, provision of livable wage employment opportunities, and improvement of tax base.<sup>2</sup>

Ramsey has two tax increment project areas that contain six tax increment districts designated for redevelopment and economic development.

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<sup>2</sup> Tax Increment Financing March 1996, Program Evaluation Division, Office of the Legislative Auditor

## **2. Livable Communities Act**

By being a participant in the Metropolitan Council's Livable Communities Act, the City becomes eligible for grants and loans that support development and redevelopment of livable communities. The tax base revitalization account provides funds to clean up contaminated land to support economic redevelopment, job retention and job growth. This site could possibly assist the City with any clean up costs that might be associated with unknown dumps on potential industrial land or spills on redevelopment lands.

## **3. Tax Abatement**

A new law created in 1997 allows Minnesota communities to individually "abate" taxes on a parcel of land if the community can find that it is in the public interest. Such public interest reasons may include to:

- Increase or preserve tax base
- Provide employment opportunities
- Help to acquire or construct public facilities
- Help redevelop blighted areas; or
- Help provide residents with access to services

## **4. Department of Trade and Economic Development**

DTED provides support to local municipalities particularly geared towards retaining businesses within the State of Minnesota. DTED will provide help with creating an economic development plan and identifying strategies to implement the plan. Financial assistance is available in the form of a variety of loans and grants such as the Contaminated Site Cleanup grant program, which is designed to assist communities in converting brownfields back into marketable/developable industrial and commercial land.