



STRATEGIC PLAN 2021-2023

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EXECUTIVE SUMMARY

In March 2021, the Hermantown Economic Development Authority (HEDA) engaged Northspan to conduct a strategic planning process. The goals of the process were to clarify and/or identify the following:

- Mission & Values
- Strategic Directions for next 3 years
- Accomplishments by which the strategic directions are achievable
- Establish a timeline and priorities among the identified strategic actions

HEDA, over the course of two 3-hour sessions, confirmed and developed the following mission, objectives, and strategic directions:

Mission:

To intentionally lead economic growth, creating a vibrant and prosperous community.

Value Statements:

1. Collaborative
2. Fiscally Sound and Responsible
3. Good Community Stewards
4. Responsive
5. Balanced Risk Takers
6. A Proud Community
7. Sociable and Approachable
8. Innovative

Strategic Directions:

1. Promoting Our Community for Investment
2. Comprehensive Planning for Targeted Growth
3. Positioning & Providing Infrastructure for Development
4. Creating a Growth Environment & Tools for Businesses
5. Establishing a Diverse, Livable Community with a Sense of Place

This document provides an overview of the new strategic plan, which will guide HEDA's work for the next three years. Details on the planning process and supporting documents from that process are available in the appendices.

OVERVIEW

The Hermantown Economic Development Authority (HEDA) is a public body dedicated to economic development for the City of Hermantown, Minnesota. HEDA is staffed by the Hermantown city administrator, community development director, and city attorney. A seven-member board consisting of the city's five city councilors (including its mayor) and two appointed at-large community members guides the EDA. All ten of these individuals participated in the strategic planning process.

HEDA sought to complete a strategic plan to guide its activities from 2021-2023. HEDA most recently completed a strategic action plan in 2017, which included the creation of an organization mission, values, and four objectives to guide its work. By 2021, amid a shifting local and national economic climate, HEDA sought to review its strategic directions for the next several years. The new strategic plan builds on the foundations of the 2017 work and the EDA's efforts in recent years to develop a clear action plan, complete with a timeline and highlighted priorities, for future efforts.

BACKGROUND INFORMATION

According to the 2019 American Community Survey from the U.S. Census, the City of Hermantown has a population of 9,604. It sits within the Duluth Metropolitan Statistical Area and shares a border with the City of Duluth. It is home to a major commercial corridor along US Hwy. 53, which connects it to both Duluth and communities on the Iron Range to the north. The community has relatively high median household incomes and relatively low poverty for a northern Minnesota city.

In contrast to much of northern Minnesota, Hermantown has enjoyed slow but steady growth in population and development over recent decades. Its ample space for development, connections to major transportation corridors, and well-regarded school system have made it a destination for gradual expansion within the Duluth metropolitan area. As in many growing communities, new development leads to questions about the community's future and its identity, and intentional planning processes can help ensure all voices are at the table and engaged.

STRATEGIC PLAN 2021-2023

This strategic plan is the culmination of a planning process that began in March 2021. The planning confirmed the HEDA's mission and value statements, provided new strategic directions, and established action steps and outcomes to advance the strategic directions. The mission and value statements, which were developed in the 2017 process, were affirmed by HEDA in these strategic planning sessions. The strategic directions a renewed focus and direction for HEDA that will help move it toward its desired outcomes.

MISSION

To intentionally lead economic growth, creating a vibrant and prosperous community.

VALUE STATEMENTS

1. Collaborative
2. Fiscally Sound and Responsible
3. Good Community Stewards
4. Responsive
5. Balanced Risk Takers
6. A Proud Community
7. Sociable and Approachable
8. Innovative

STRATEGIC DIRECTIONS

1. Promoting our community for investment
2. Comprehensive planning for targeted growth
3. Positioning & providing infrastructure for development
4. Creating a growth environment & tools for businesses
5. Establishing a diverse, livable community with a sense of place

SD1

PROMOTING OUR COMMUNITY FOR INVESTMENT

Definition:

This strategic direction seeks to drive economic growth in Hermantown through refinement of a message to market the city. It brings together a range of stakeholders behind a single vision and researches comparable communities to see what has worked for similar contexts. It creates a foundation for attraction of new business growth in targeted areas that benefit Hermantown and the surrounding region.

Action Steps:

- A1. Research competitive and aspirational cities
- A2. Create unified marketing strategy to share city's message
- A3. Dedicate funding for marketing strategy

Outcomes:

- Marketplace is full, vibrant, and has a mix of businesses
- Creation of a designated mixed housing/commercial space with variety of options or zones within the community
- Large employer/manufacturer moves to Hermantown
- Strategically located warehousing/distribution/light mfg. zone or area created
- Greater presence in the region and stronger relationships with Chamber, County, developers, etc.
- Clear understanding of what we want people to come to Hermantown for
- City staff has grown to meet work plan

Definition:

This strategic direction recognizes that Hermantown's existing comprehensive plan has been in place for many years and no longer reflects the current situation in the community. It undertakes a multi-year process to engage residents, deepen knowledge of the city's assets, and update the city's zoning and areas that are targeted for development.

Action Steps:

- A1. Secure dedicated funding & complete a comprehensive plan
- A2. Prioritize public engagement in comprehensive plan
- A3. Create clear goals for potential growth areas
- A4. Outline understanding of city's assets in comprehensive plan
- A5. Consider new zoning districts to meet growth opportunities

Outcomes:

- People ask, "Have you been to "X" in Hermantown," creating a commercial destination
- New anchor business, outside of the Marketplace, on Hwy 53
- Shovel-ready land and infrastructure ready for development
- Have additional city-owned property to create opportunity
- Infrastructure available for housing developments

Definition:

This strategic direction recognizes the importance of built infrastructure as a foundational asset for economic development. It acknowledges that new development requires carefully planned extension of city services. It also places special emphasis on broadband, recognizing that the city has unserved and underserved areas and the critical role of high-speed internet in the current and future economy.

Action Steps:

- A1. Expand broadband throughout the whole city by engaging providers
- A2. Support Broadband Task Force solutions
- A3. Explore and plan for city water/sewer/gas expansion to include broadband, dig once

Outcomes:

- “Donut hole” on map of city that currently lacks services filled with housing and business development
- Expanding broadband throughout the whole city

SD4

CREATING A GROWTH ENVIRONMENT & TOOLS FOR BUSINESSES

Definition:

This strategic direction works to directly create conditions for business success. It seeks to expand the city's staffing capacity for economic development and pursue additional outside resources such as federal grants. It works to streamline the development process through preparation for shovel readiness and business subsidy policy, and checks in regularly with existing businesses to stay responsive to their needs.

Action Steps:

- A1. Investigate land acquisition for shovel readiness
- A2. Determine funding, job description, and recruitment process for economic development position, ensuring staff capacity to implement comprehensive plan
- A3. Explore grant opportunities for incubators/makerspace (e.g., federal EDA)
- A4. Implement active and intentional BRE program
- A5. Utilize business subsidies to encourage growth

Outcomes:

- Makerspace or incubator operational
- Designated fund earmarked for revolving loan fund/business assistance
- Developed list of businesses and outline for business retention & expansion program
- Paid economic development staff person on board
- Scheduled standing meetings with developers, financial partners, etc.

Definition:

This strategic direction seeks to build a stronger sense of place in Hermantown. It works to update zoning and subsidy policies that can guide the community toward greater variety in its development patterns, and it wraps that sense of place into a broader marketing strategy. Finally, it proactively moves the city toward stronger messaging around its efforts and vision for future development.

Action Steps:

- A1. Review and update zoning code
- A2. Define and incorporate sense of place as part of marketing strategy
- A3. Update business subsidy policy to reflect changes in market
- A4. Develop talking points for community engagement around development

Outcomes:

- Comprehensive plan updated and in place
- Zoning code updated to allow for diversified development and land uses
- Marketing strategy developed
- Update business subsidy policy to reflect changes in market
- Refined talking points for community engagement around development

TIMELINES AND PRIORITIES

With its accomplishments in place, HEDA then further defined the strategic plan timeline. This stage of the planning process gives stakeholders an accurate understanding of when certain tasks may be completed, and it seeks to space out actions to balance the workload for staff. HEDA members determined start and end times by month (in 2021) or by quarter (in 2022 and 2023) for each strategic action. Finally, the group prioritized key action steps for the first 90 days that it considered a vital foundation for all future efforts. The timeline and priority wedge are available in the appendices titled HEDA Strategic Plan Timeline 04.29.21 and HEDA Strategic Action Priority Wedge 04.29.21.

APPENDICES ATTACHED

1. HEDA Strategic Planning Process
2. HEDA Survey Summary 03.18.21
3. HEDA Underlying Contradictions and Strategic Directions 03.25.21
4. HEDA Current Reality, Success Indicators & Accomplishments 04.29.21
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STRATEGIC PLANNING PROCESS

The Hermantown EDA has prepared this three-year strategic plan to guide its activities and achieve accomplishments consistent with the group's vision and mission. The strategic process steps, session dates, and agendas are included as an attachment, as are the results of the sessions that followed.

PROCESS STEPS

1. Collection of background information
2. Environmental scan survey with HEDA members and staff team.
3. 03.25.21 Strategy Planning Session 1 of 2
4. 04.29.21 Strategy Planning Session 2 of 2
5. 05.06.21 – 05.13.21 Draft Strategic Plan Review & Feedback
- 6 05.27.21 Strategic Plan Board Presentation
7. Complete a 90-day check-in

BLOCKS & STRATEGIC DIRECTIONS

STRATEGIC PLANNING VIRTUAL SESSION: March 25, 2021

AGENDA | March 25, 2021 | 4:00PM-7:00PM

Open Zoom space at 5:45PM

5:05 Welcome & Zooming In

5:10 Introductions

5:20 Survey Overview

- 5 Minutes, Mission & Objectives
- 10 Minutes, SWOT Results

5:35 Underlying Contradictions / Blocks Workshop

6:50 Strategic Directions Workshop

7:00 Next Steps & Adjourn

On March 25, Northspan facilitated a strategic planning session with the HEDA board and staff that focused on blocks that prevent the organization from reaching its vision and strategic directions to overcome those blocks and barriers.

UNDERLYING CONTRADICTIONS/BLOCKS

Participants identified three contradictions or blocks that they believed held back HEDA. These blocks are available in the appendix in the document titled Hermantown EDA Underlying Contradictions and Strategic Directions 03.25.21.

UNDERLYING CONTRADICTIONS

1. Staff capacity limits strategic development and relationships
2. Dated comprehensive plan limits targeted growth
3. Funding resources challenge potential growth

STRATEGIC DIRECTIONS

With the contradictions in mind, the participants then moved to identify five strategic directions that they believe will allow HEDA to overcome these blocks. These strategic directions are available in the appendix in the document titled Hermantown EDA Underlying Contradictions and Strategic Directions 03.25.21.

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ACCOMPLISHMENTS & TIMELINES**STRATEGIC PLANNING VIRTUAL SESSION: APRIL 29, 2021****AGENDA | APRIL 29, 2021 | 4:00PM-7:00PM****Open Zoom space at 3:45PM**

4:03 Welcome & Zooming In

4:05 Introductions

4:20 Focused Implementation Workshop

Accomplishments

Timelines

Priorities

6:55 Celebrate!

7:00 Next Steps & Adjourn

On April 29, Northspan facilitated a second workshop with HEDA board and staff. In this session, the board identified outcomes and accomplishments that could move HEDA toward its strategic directions. It also established a timeline for achieving these tasks and created a priority wedge to guide its actions in the first 90 days of the plan.

ACCOMPLISHMENTS

HEDA defined its current reality, identified success indicators, and developed outcomes and accomplishments that will allow the organization to move from current reality to success. These accomplishments and the ideas that led to their creation are available in the appendix in the document titled HEDA Current Reality, Success Indicators & Accomplishments 04.29.21.

TIMELINES AND PRIORITIES

HEDA concluded its process by laying out timelines for the completion of the strategic actions that support each strategic direction. Once established, HEDA members then prioritized several key actions in the first 90 days that they believed were essential for subsequent work.